

Revised 02-03

# Montana 2002 Package X - Part II

Contains Individual Income Tax Forms

CC

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ENRG-C

EST-P

AFCR revised 11-13-02

DCAC

DS-1

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2441-M

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2X

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ESW

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IT 2101

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MSA revised 11-14-02

FTB

FRM

QEC

ESA added 11-13-02

MSA-P added 11-13-02

RSCH will follow



## College Contribution Credit

15-30-163, MCA

Use this form when filing individual income tax

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

### General Instructions

- **Who may claim this credit**  
An individual, partnership or small business corporation who makes charitable contributions during the year to any of the general endowment funds of the Montana University System, foundations or to a general endowment fund of a private Montana college or its foundation.
- Deductible contributions may also be claimed as an itemized deduction for individuals.
- Contributions made by a small business corporation or partnership qualify for the credit. The credit is attributed to the shareholders or partners using the same proportion used to report income or loss for Montana tax purposes.
- **Definitions**  
"Foundation" means a nonprofit organization created exclusively for the benefit of any unit of the Montana University System, or a Montana private college and is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.
- "Montana private college" means a nonprofit private educational institution:
- Whose main campus and primary operations are within the state;
  - Offering baccalaureate degree level education and is accredited for that purpose by a national or regional accrediting agency recognized by the Board of Regents of Higher Education
- **Special Instructions**  
The credit may not exceed either the individual's income tax liability or \$500, whichever is less. Unused credit may not be carried back or carried forward and must be applied in the year the donation is made.

Donation(s) made to \_\_\_\_\_

- Total amount of donation(s) \$ \_\_\_\_\_
- Allowable credit - 10% of line 1  
(Credit not to exceed \$500) \$ \_\_\_\_\_
- Enter amount from line 2 above on Form 2A, Schedule II.
- If amount on line 1 includes a donation made by a small business corporation or partnership, list business name, ID# and total amount donated on back of this form.

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. 

Attach this form to your return



Alternative Energy Systems Credit

15-32-115 and 15-32-201, MCA  
Instructions on back

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_  
Address of installation (if not the same as on Form 2) \_\_\_\_\_

Geothermal Energy System  
15-32-115, MCA

(For a system installed prior to January 1, 2002, see instructions for credit limitations and carryover provisions)

Date installation was completed in your home \_\_\_\_\_  
Description of installation (brand and model) \_\_\_\_\_

1.	Cost of system including installation.....	1.	_____
2.	Amount of grants received.....	2.	_____
3.	Subtract line 2 from line 1.....	3.	_____
4.	Enter the smaller of line 3 or \$1,500 Enter this amount on Form 2A, Schedule II, (limited to your tax liability).....	4.	_____
5.	Total credit claimed in prior years.....	5.	_____

Excess credit may be carried forward 7 years

Alternative Energy System  
(Using a Recognized Nonfossil Form of Energy Generation)  
15-32-201(1), MCA

Date installation was completed in your home \_\_\_\_\_  
Description of installation (type; wind, solar energy, etc) \_\_\_\_\_

6.	Cost of system including installation.....	6.	_____
7.	Amount of grants received.....	7.	_____
8.	Subtract line 7 from line 6.....	8.	_____
9.	Enter the smaller of line 8 or \$500 Enter the amount on Form 2A, Schedule II, (limited to your tax liability).....	9.	_____

Excess credit may be carried forward 4 years

Alternative Energy System  
(Low Emission Wood or Biomass Combustion Device)  
15-32-201(2), MCA

Date installation was completed in your home \_\_\_\_\_  
Description of installation (type, brand & model) \_\_\_\_\_

10.	Cost of system including installation.....	10.	_____
11.	Enter the smaller of line 10 or \$500 Enter this amount on Form 2A, Schedule II, (limited to your tax liability).....	11.	_____

Excess credit may be carried forward 4 years

## Alternative Energy Systems Credit – General Instructions

The credit(s) from Form ENRG-B is allowed only to Montana residents who complete installation of an alternative energy system in their principal dwelling. The credit(s) must be claimed against the taxpayer's liability for the year the energy system was acquired and placed in service. If the amount of the tax credit(s) exceeds your income tax liability for the year, the excess is carried over to the next succeeding tax year or years until the total credit(s) is absorbed.

### Geothermal Energy System Credit

For installations prior to January 1, 2002, the carryover tax credit available is \$250 per year for four (4) years from the date of installation. Line 4 cannot be greater than \$250. For installations after December 31, 2001, an individual may take a credit against their individual income tax liability not to exceed \$1,500. Any excess credit not claimed in the year of installation may be carried over seven (7) succeeding tax years.

"Geothermal system" means a system that transfers energy either from the ground, by way of a closed loop, or from ground water, by way of an open loop, for the purpose of heating or cooling a residential building. A qualifying system shall transfer energy either from the ground, ground water or surface water. It should also have a heat pump utilizing a refrigerant cycle. If the system does not contain a heat pump, utilizing a refrigerant cycle, the "energy conservation purpose" of the system must be explained.

For the purpose of the Geothermal Energy System Credit installation cost include the cost of : (a) trenching, well drilling, casing and downhole heat exchangers; (b) piping, control devices, and pumps that move heat from the earth to heat or cool the building; (c) ground source or ground coupled heat pumps; (d) liquid-to-air heat exchanger, ductwork, and fans installed with a ground heat well that pump heat from a well into a building; and (e) design and labor.

### Alternative Energy System Credit

The tax credit for installing an alternative energy system using a "recognized nonfossil form of energy generation" or a "low emission wood or biomass combustion device" is available in the year of installation and may be carried forward four (4) succeeding tax years.

"Recognized nonfossil forms of energy generation," means a system that captures energy or converts energy sources into usable sources, including electricity, by using:

- solar energy, including passive solar systems;
- wind;
- solid waste;
- the decomposition of organic wastes;
- geothermal;
- fuel cells that do not require hydrocarbon fuel; or
- an "alternative energy system" a system or equipment used to convert energy sources into usable sources using fuel cells that do not require hydrocarbon fuel, geothermal systems, low emission wood or biomass, wind, photovoltaics, geothermal, small hydropower plants under 1 megawatt, and other recognized nonfossil forms of energy generation.
- a system that produces electric power from biomass or solid wood wastes; or
- a small system that uses water power by means of an impoundment that is not over 20 acres in surface area.

"Low emission wood or biomass combustion device," means a noncatalytic stove or furnace that:

- is specifically designed to burn wood pellets or other nonfossil biomass pellets.
- has a particulate emission rate of less than 4.1 grams per hour when tested in conformance with the standard method for measuring the emissions and efficiencies of residential wood stoves, as adopted by the department of environmental quality.
- has an air-to-fuel ratio of 35 to 1 or greater when tested in conformance with the standard method for measuring the air-to-fuel ratio and minimum achievable burn rates for wood-fired appliances, as adopted by the department of environmental quality.
- burns wood or other nonfossil biomass and has a particulate emission rate of less than 4.1 grams per hour when tested in conformance with the standard method of measuring the emissions and efficiencies of residential wood stoves, as adopted by the department of environmental quality.



## Credit for Investment in Energy Conservation Installations

15-32-109, MCA  
Instructions on back

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

Address of installation (if not the same as on Form 2) \_\_\_\_\_

Was the installation made in the process of constructing a building? Yes ☐ No ☐

If "yes" the cost of the capital investment is the cost expended for energy conservation purposes over and above the established standards for new construction.

Enter your installation cost below.

Insulation	\$ _____	Heating Systems	\$ _____
Windows	\$ _____	Domestic Hot Water Heating Systems	\$ _____
Doors	\$ _____	Cooling Systems	\$ _____
Other (Specify)			
_____	\$ _____		
_____	\$ _____		
Total (Transfer to Line 1)	\$ _____		

1. Amount invested in the physical attributes of a building..... 1. \_\_\_\_\_
2. Enter 25% (.25) of line 1..... 2. \_\_\_\_\_
3. Enter the amount of line 2 or \$500, whichever is smaller..... 3. \_\_\_\_\_
  
4. Amount invested in a water, heating or cooling system..... 4. \_\_\_\_\_
5. Enter 25% (.25) of line 4..... 5. \_\_\_\_\_
6. Enter the amount of line 5 or \$500, whichever is smaller..... 6. \_\_\_\_\_
  
7. Total of lines 3 and 6 but not more than \$500..... 7. \_\_\_\_\_
8. Enter the smaller of Line 7 or your tax liability (Form 2, Line 42) .....8. \_\_\_\_\_  
Enter this amount on Form 2A, Schedule II.
9. Carryover amount (Subtract line 8 from line 7)..... 9. \_\_\_\_\_  
(Carryover this amount to the next succeeding tax year)

## **Energy Conservation Credit – General Instructions**

A direct credit against your individual income tax liability is allowed for the cost of a capital investment installed in a building or for the installation of a water, heating, or cooling system for energy conservation purposes. An investment for energy conservation purposes means the installed cost of materials and equipment that reduce the waste or dissipation of energy or reduce the amount of energy required to accomplish a given amount of work. The term "building" includes single or multiple dwellings (including mobile homes) and buildings used for commercial, industrial or agricultural purposes, enclosed with walls and a roof. In the case of a building under construction, no deduction is allowable with respect to the cost of materials and equipment installed for energy conservation purposes if compliance with established standards of construction necessitates the installation. However, when energy conservation materials and equipment exceeding established standards of construction are installed, the additional cost qualifies for the credit.

The sum of the energy conservation credits may not exceed your tax liability for the tax year. Any excess credit amounts may be carryforward against future tax liabilities for seven (7) succeeding tax years. The entire amount of the credit not used in the year that it was earned must be carried first to the earliest tax year in which the credit can be applied and then to each succeeding tax year.

The Department of Revenue has determined that the following investments qualify for the credit.

- Insulation in the floors, walls, ceilings and roofs of existing buildings
- Insulation in the floors, walls, ceilings and roofs of new buildings to the extent it produces an insulating factor in excess of established standards of construction.
- Insulation of pipes and ducts located in non-heated areas and of hot water heaters and tanks.
- Installation of new heating or cooling systems and domestic hot water heating systems, so long as the replacement or installation of the new system reduces the waste or dissipation of energy or reduces the amount of energy required.
- Special insulating siding with a certified insulating factor substantially in excess of that of normal siding.
- Storm windows, storm doors (except with a wood entry door), and triple glazed windows (in existing buildings).
- Insulating exterior doors.
- Caulking and weather stripping.
- Devices that limit the flow of hot water from shower heads and lavatories.
- Waste heat recovery devices.
- Glass fireplace doors.
- Exhaust fans used to reduce air conditioning requirements.
- Replacement of incandescent light fixtures with light fixtures of a more efficient type.
- Lighting controls with cut-off switches to permit selective use of lights.
- Clock regulated thermostats.

The above is not to be considered an exhaustive list of qualifying investments.

Questions? Please call (406)444-6900 or TDD (406)444-2830 for hearing impaired.



# Underpayment of Estimated Tax by Individuals and Fiduciaries

15-30-241, MCA

MONTANA  
EST-P  
Rev. 8-02

Name \_\_\_\_\_ SSN \_\_\_\_\_  
Spouse's Name \_\_\_\_\_ SSN \_\_\_\_\_

## Part I Required Annual Payment — All Filers must complete this part

1. Enter 2002 tax from line 53 of Form 2 or line 31 of Form 2S or line 43 of Form FID-3  
(Enter total liability of both spouses if married filing separate on the same form). 1. \_\_\_\_\_
  2. Multiply line 1 by 90% (.90). 2. \_\_\_\_\_
  3. Enter Montana tax withheld and/or the Elderly Homeowner/Renter credit for 2002. 3. \_\_\_\_\_
  4. Subtract line 3 from line 1. If less than \$500, stop here. 4. \_\_\_\_\_
  5. Enter 2001 tax (Line 53 of Form 2 or line 31 of Form 2S or line 43 of Form FID-3) 5. \_\_\_\_\_
  6. Required annual payment. Enter the smaller of line 2 or line 5 6. \_\_\_\_\_
- Note: If line 3 is equal to or more than line 6, stop here. No penalty is due.

## Part II Short Method — Use this method if you did not make estimated tax payments or if you made estimated tax payments on the due dates and in four equal amounts. Otherwise, use the regular method (Part III).

7. Enter the amount, if any, from line 3 above 7. \_\_\_\_\_
8. Enter the total amount, if any, of estimated tax payments you made including amounts credited from prior years 8. \_\_\_\_\_
9. Add lines 7 and 8 9. \_\_\_\_\_
10. Total underpayment for year. Subtract line 9 from line 6. If the result is zero or less, stop here. 10. \_\_\_\_\_  
You do not owe underpayment interest penalty.
11. Multiply line 10 by .07980 and enter the result 11. \_\_\_\_\_
12. If the amount on line 10 was paid on or after 4/15/2003, enter -0-.  
If the amount on line 10 was paid before 4/15/2003, multiply:  
Amount on line 10 x Number of days paid before 4/15/2003 x .0003288. 12. \_\_\_\_\_
13. **Underpayment interest penalty.** Subtract line 12 from line 11. Enter the results here and on line 64 of Form 2 or line 37 of Form 2S or on line 51 of Form FID-3. **Total Due:** 13. \_\_\_\_\_

## Part III Regular Method — Use this method if you made payments of unequal amounts. The due dates shown are for calendar year taxpayers. Adjust these dates accordingly for fiscal year returns

Complete lines 14 through 17 in each column before going to line 18.

14. Divide line 6 by four (4) and enter the result in each column 14. \_\_\_\_\_
15. Enter amount of estimated tax paid on each date 15. \_\_\_\_\_
16. Enter one-fourth of the amount on line 3 in each column 16. \_\_\_\_\_
17. Add lines 15 and 16. This is your total payment 17. \_\_\_\_\_

A	B	C	D
4/15/02	6/15/02	9/15/02	1/15/03
14. _____	_____	_____	_____
15. _____	_____	_____	_____
16. _____	_____	_____	_____
17. _____	_____	_____	_____

Complete lines 18 through 27 of one column before going to the next column

18. Enter amount, if any, from line 25 of previous column 18. \_\_\_\_\_
19. Add lines 17 and 18 19. \_\_\_\_\_
20. Enter amount on line 24 of the previous column 20. \_\_\_\_\_
21. Subtract line 20 from line 19. If zero or less, enter -0-  
For column A only, enter the amount from line 17. 21. \_\_\_\_\_
22. If the amount on line 21 is zero, subtract line 19 from line 20. Otherwise, enter -0-. 22. \_\_\_\_\_
23. **Underpayment.** If line 14 is equal to or greater than line 21, subtract line 21 from line 14. Then go to line 24. Otherwise, go to line 25. 23. \_\_\_\_\_
24. Add lines 22 and 23. Enter here, then go to line 27. 24. \_\_\_\_\_
25. **Overpayment.** If line 21 is more than line 14, subtract line 14 from line 21. Then go to line 18 of next column 25. \_\_\_\_\_
26. Number of days until next estimated payment date 26. \_\_\_\_\_
27. Interest:  $\frac{\text{Days from line 26} \times .12 \times \text{Amount on line 24}}{365}$  27. \_\_\_\_\_

18. _____	_____	_____	_____
19. _____	_____	_____	_____
20. _____	_____	_____	_____
21. _____	_____	_____	_____
22. _____	_____	_____	_____
23. _____	_____	_____	_____
24. _____	_____	_____	_____
25. _____	_____	_____	_____
26. 61	92	122	90
27. _____	_____	_____	_____

28. **Underpayment Interest Penalty.** Add the amounts on line 27 of each column.  
Enter total here and on line 64 of Form 2, line 37 of Form 2S, or line 51 of Form FID-3

28. \$ \_\_\_\_\_



**Part IV Annualized Income Installment Method Worksheet** — Complete lines 29 through 53 only if computing installments using annualized income installment method.

Complete each column beginning with Column A through line 53 before completing the next column.

	A	B	C	D	
	1/1/02 to 3/31/02	1/1/02 to 5/31/02	1/1/02 to 8/31/02	1/1/02 to 12/31/02	
29. Montana Adjusted Gross Income for the period.					29.
30. Annualization amounts.	4	2.4	1.5	1	30.
31. Annualized Income. Multiply line 29 by line 30.					31.
32. *Enter your itemized deductions for the period shown.					32.
33. Annualization amounts.	4	2.4	1.5	1	33.
34. Multiply line 32 by line 33.					34.
35. **Enter the full amount of your standard deduction.					35.
36. Enter the larger of line 34 or line 35.					36.
37. Subtract line 36 from line 31.					37.
38. Multiply \$1,740 by number of exemptions.					38.
39. Subtract line 38 from line 37.					39.
40. Figure the tax on the amount on line 39 using the tax table below.					40.
41. Tax on lump sum distributions.					41.
42. Add lines 40 and 41.					42.
43. Enter tax credits for each period.					43.
44. Subtract line 43 from line 42.					44.
45. Applicable percentage.	22.5%	45%	67.5%	90%	45.
46. Multiply line 44 by line 45.					46.
47. Add the amounts in all preceding columns of line 53.	-0-				47.
48. Subtract line 47 from line 46. If less than zero enter 0.					48.
49. Divide line 6, Part I of this form, by four (4) and enter the result in each column.					49.
50. Enter the amount from line 52 of the preceding column of this worksheet.					50.
51. Add lines 49 and 50 in each column and enter the result.					51.
52. If line 51 is more than line 47, subtract line 48 from line 51. Otherwise, enter zero.					52.
53. Enter the smaller of line 48 or line 51 here and on line 14 of Part III.					53.

\*If you do not itemize deductions, enter zero.

\*\* The standard deduction is 20% (.20) of line 31, subject to the following limitations:

Single or separate: No less than \$1,450; no more than \$3,260  
 Married or head of household: No less than \$2,900; no more than \$6,520

If Taxable Income is:				TaxTable				If Taxable Income is:			
Over	But not over	Multiply by	and Subtract = Tax	Over	But not over	Multiply by	and Subtract = Tax	Over	But not over	Multiply by	and Subtract = Tax
\$ 0 .....	\$ 2,200 ....	X .... 2 % .....	\$ 0	\$17,400 ....	\$21,800 ....	X .... 7 % .....	\$ 458	\$17,400 ....	\$21,800 ....	X .... 7 % .....	\$ 458
\$ 2,200 .....	\$ 4,400 ....	X .... 3 % .....	\$ 22	\$21,800 ....	\$30,500 ....	X .... 8 % .....	\$ 676	\$21,800 ....	\$30,500 ....	X .... 8 % .....	\$ 676
\$ 4,400 .....	\$ 8,700 ....	X .... 4 % .....	\$ 66	\$30,500 ....	\$43,500 ....	X .... 9 % .....	\$ 981	\$30,500 ....	\$43,500 ....	X .... 9 % .....	\$ 981
\$ 8,700 .....	\$13,100 ....	X .... 5 % .....	\$ 153	\$43,500 ....	\$76,200 ....	X .... 10 % .....	\$ 1,416	\$43,500 ....	\$76,200 ....	X .... 10 % .....	\$ 1,416
\$13,100 .....	\$17,400 ....	X .... 6 % .....	\$ 284	\$76,200 .....		X .... 11 % .....	\$ 2,178	\$76,200 .....		X .... 11 % .....	\$ 2,178
Example = taxable income \$2,400 x 3% (.03) = \$72 subtract \$22 = \$50 tax											





# Alternative Fuel Credit

15-30-164, MCA

**MONTANA**  
AFCR  
Rev. 10-02

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_  
FEIN \_\_\_\_\_

A credit is allowed to an individual, a corporation, a partnership, or a small business corporation for equipment and labor costs incurred during the tax year to convert a motor vehicle licensed in Montana to operate on alternative fuel.

Alternative fuels are defined as natural gas, liquefied petroleum gas, liquefied natural gas, hydrogen, electricity or any other fuel if at least 85% (.85) of the fuel is methanol, ethanol or other alcohol, ether, or any combination of these.

This credit cannot exceed the taxpayer's income tax liability and it cannot be carried back or carried forward. Alternative Fuel credits earned by partnerships and small business corporations must be allocated to the partners or shareholders using the same proportion used to allocate income or loss from the partnership or small business corporation.

Complete this form to calculate your credit. You must complete a separate form for each vehicle converted.

Year and Make of Vehicle \_\_\_\_\_

Date Conversion Completed \_\_\_\_\_

Gross Vehicle Weight \_\_\_\_\_

Alternative Fuel Type \_\_\_\_\_

1. Cost of Conversion..... 1. \_\_\_\_\_

2. Enter 50% (.50) of line 1..... 2. \_\_\_\_\_

3. a. If gross vehicle weight is 10,000 pounds or less, enter \$500.

b. If gross vehicle weight is more than 10,000 pounds, enter \$1,000..... 3. \_\_\_\_\_

4. Enter the smaller of line 2 or line 3. This is your allowable credit for this vehicle..... 4. \_\_\_\_\_

5. Add the amounts on line 4 from each AFCR Form. This is your allowable credit .

Enter this amount on Form 2A, Schedule II for individuals

or Form CLT-4, Schedule C for Corporations..... 5. \_\_\_\_\_

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. ☎

Attach this form to your return



# Dependent Care Assistance Credit

**MONTANA**  
DCAC  
Rev. 8-02

Name: \_\_\_\_\_ SSN # or FEIN \_\_\_\_\_

Note: An employer may be entitled to all three credits.

## Day-care Facilities Credit

(15-30-130 and 15-31-133, MCA)

- |  |          |
|--|----------|
| 1. Number of dependents facility is designed to accommodate  | 1. _____ |
| 2. Take \$2,500 times the amount on line 1   | 2. _____ |
| 3. Cost of acquisition, construction, reconstruction, renovation, or other improvements<br>(see instructions for determining cost) | 3. _____ |
| 4. Enter 15% (.15) of line 3   | 4. _____ |
| 5. Enter the lesser of line 2, line 4, or \$50,000   | 5. _____ |
| 6. Line 5 divided by ten (you are entitled to only 1/10 <sup>th</sup> of the credit yearly).                                       | 6. _____ |
| 7. Enter carryforward amounts (excess annual credit over tax liability).   | 7. _____ |
| 8. Add line 6 and line 7   | 8. _____ |

Note: You must attach supporting documentation showing that the person operating the day-care facility on the last day of your tax year is licensed or registered to operate the facility. Without this documentation the credit is denied.

## Dependent Care Assistance Credit

(15-30-186 and 15-31-131, MCA)

Any excess credit not used the first year may be carried forward for five years. It may not be carried back.

- |  |           |
|--|-----------|
| 9. Enter total amount of dependent care assistance you furnished your employees.                               | 9. _____  |
| 10. Enter total number of employees to whom this service was furnished.  | 10. _____ |
| 11. Divide line 9 by line 10. Enter that amount or \$6,300, whichever is smaller.                              | 11. _____ |
| 12. Multiply line 11 by 25% (.25). Enter that amount or \$1,575, whichever is smaller.                         | 12. _____ |
| 13. Multiply the amount on line 12 by the amount on line 10. This is your<br>Dependent Care Assistance Credit. | 13. _____ |

## Dependent Care Information and Referral Service Credit

(15-30-186 and 15-31-131, MCA)

- |  |           |
|--|-----------|
| 14. Amount paid or incurred during the year for providing information and referral<br>services to employees. | 14. _____ |
| 15. Multiply line 14 by 25% (.25). This is your Dependent Care Referral<br>Service Credit.                   | 15. _____ |

- |   |           |
|---|-----------|
| 16. Add Line 8, Line 13, and Line 15 and enter combined total on line 16.<br>This is your combined Dependent Care Assistance Credit<br>(Individual Income Tax – Enter this amount on Form 2A, Schedule II ).<br>(Corporation License Tax – Enter this amount on Form CLT4, Schedule C).<br><u>Note:</u> This credit can not be larger than your tax liability | 16. _____ |
|---|-----------|

## Instructions

### **Day-Care Facilities Credit:** (15-30-130 and 15-31-133, MCA)

This credit against taxes is allowed to employers based on the amounts paid or incurred to acquire, construct, reconstruct, renovate, or improve real property to be used primarily as a day-care facility. The amount of the credit is the amount calculated on lines 1 through 8 and any day-care facility credit carryforward.

If this credit exceeds your tax liability, the excess amount may be carried forward to any succeeding years. The carryforward may not exceed 9 years.

If this credit is claimed by a small business corporation, or a partnership, the credit must be attributed to the shareholders or partners, using the same proportion to report the corporation's or partnership's income or loss for Montana income tax purposes.

To qualify for this credit the following conditions must apply:

- The property must be in actual use in Montana as a day-care facility on the last day of the tax year for which the credit or any carryforward amount of the credit is claimed.
- Day-care services assisted by the employer must take place on the property on the last day of the tax year for which the credit or any carryforward amount is claimed.
- The person operating the day-care facility must hold a current license or registration certificate under Title 52, chapter 2, part 7, on the last day of the tax year for which the credit is claimed.
- The day-care facility shall accommodate six or more children.
- The day-care facility must be placed in operation before January 1, 2006.

**Line 1. Number of dependents facility is designed to accommodate.** Enter the number of dependents the facility was designed to accommodate at the end of the first tax year in which the credit is first claimed.

**Line 3. Cost of acquisition, construction, reconstruction, renovation, or other improvements.** Enter the cost to acquire, construct, reconstruct, renovate or for other improvements to provide a day-care facility. These costs may be to another person with whom the employer contracts with to make day-care assistance payments or for the cost of providing and operating as an employer, or combination of employers, a day-care facility. These costs must be excluded, or partially excluded under 26 U.S.C. 129 from the income of the employee for federal tax purposes.

**Line 6. Line 5 divided by ten.** An employer is allowed one-tenth of the total credit determined on line 5 in the first year the credit is claimed and one-tenth of the total credit each succeeding year not to exceed 9 years.

### **Dependent Care Assistance Credit:** (15-30-186 and 15-31-131, MCA)

To be eligible for the credit, the dependent care assistance program must:

- Be Furnished by a registered or licensed day-care provider, and
- Be in writing as specified in 89(k) of the Internal Revenue Code and meet the federal dependent care assistance requirements under 129(d) through (k) of the Internal Revenue Code.

This credit is not allowed if:

- The services were not performed within Montana, or
- The amount of dependent care assistance is paid pursuant to a salary reduction plan, or
- The amount upon which the credit is based is included in the gross income of the employee or employees.

For individual income taxpayers any deduction allowed for dependent care assistance on Schedule C, E, or F must be reduced by the amount of dependent care assistance upon which the credit is based.

For a corporation any deduction allowed for dependent care assistance which reduces your federal taxable income must be reduced by the amount of dependent care assistance upon which the credit is based.

The dependent care assistance provided by a small business corporation or partnership qualifies for the credit. The credit is attributed to the shareholders or partners using the same proportion used to report income or loss for Montana purposes.

**Line 9. Enter total amount of dependent care assistance you furnished your employees as an employer.** Enter the amount you paid or incurred during the year for providing dependent care assistance to your employees.

### **Dependent Care Information and Referral Service Credit:** (15-30-186 and 15-31-133, MCA)

In addition to the Dependent Care Assistance Credit an employer is allowed a credit against taxes for amounts paid or incurred during the year to provide information and referral services to assist their Montana employees in obtaining dependent care.

**Line 14. Amount paid or incurred during the year for providing information and referral services to employees.** Enter the cost you incurred during the year for providing dependent care information or referrals to your employees.



## Calculation of Disability Income Exclusion

15-30-111, MCA  
Instructions on back

### Excludable Disability Pay

**Column A** (For single,  
joint, separate or  
head of household)

**Column B** (For spouse  
only when filing separate)

- |    |   |       |       |
|----|---|-------|-------|
| 1. | <u>Enter the smaller of:</u><br>Amount received per week times number<br>of weeks received<br>or<br>\$100 times the number of weeks you re-<br>ceived disability payments. (maximum<br>\$5,200) | _____ | _____ |
| 2. | For payments received for a portion of a<br>week, enter the smaller of the amount<br>received or \$20 X number of work days<br>you received payments.   | _____ | _____ |
| 3. | Add lines 1 & 2   | _____ | _____ |
| 4. | Combine amounts on line 3, columns A & B.   |       | _____ |

### Limitation on Exclusion

- |    |  |       |               |
|----|--|-------|---------------|
| 5. | Enter Montana adjusted gross income<br>(without exclusion)   | _____ | _____         |
| 6. | Combine line 5, columns A & B  |       | _____         |
| 7. | Amount to calculate exclusion.   |       | <u>15,000</u> |
| 8. | Subtract line 7 from line 6 (not less than -0-)  |       | _____         |
| 9. | Subtract line 8 from line 4<br>(not less than -0-)<br>This is your disability income exclusion.<br>Enter this amount on the other reductions<br>line on Form 2 or Form 2S. |       | _____         |

Attach this form to your return

## Disability Income Exclusion

- A taxpayer who is a resident of Montana qualifies for the disability income exclusion if he or she:
  - is under age 65;
  - retired on disability;
  - was permanently and totally disabled; and
  - has not chosen to treat his/her disability income as a pension or annuity.
- The adjusted gross income used in the computation of the exclusion is the taxpayer's Montana adjusted gross income.
- If the qualified taxpayer is married and filing separate returns, both the taxpayer and the spouse's Montana adjusted gross incomes are to be combined to compute the exclusion.
- The department reserves the right to ask for proof of disability issued by a governmental unit such as the Social Security Administration, certifying the taxpayer's permanent and total disability. If such certification is not available, the department may require other such verification as is necessary.

Only income reported on a Form 1099R distribution Code 3, qualifies for the disability income exclusion.

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. 



# Elderly Care Credit

15-30-128, MCA

MONTANA  
ECC  
Rev. 8-02

Name as shown on Form 2

Social Security Number

Name of elderly family member

Social Security Number

Address of elderly family member

City

State

Zip+4

## Part I - Eligibility

If the answer to any of the questions below is no, you are not eligible for the credit. **Do not complete this form.**

Yes

No

Is the elderly person related to you by blood or by marriage?

Is the elderly person at least 65 years old or has been determined disabled for Social Security purposes?

Does the elderly person have gross income of \$15,000 or less? In the case of married individuals, is their combined gross income \$30,000 or less? **See instructions**

Is your Montana adjusted gross income from Form 2 less than \$55,000 if you are filing joint or single? If you are filing married separate, is your Montana adjusted gross income less than \$27,500?

## Part II - Computation of Allowable Credit

1. Enter amount of qualified elderly care expenses paid during the tax year.  
(see instructions on the back of this form) 1. \_\_\_\_\_
2. Enter your Montana adjusted gross income from Form 2. 2. \_\_\_\_\_
3. Enter the multiplier figure for your current filing status from table on reverse side. 3. \_\_\_\_\_
4. Multiply line 1 times line 3. Enter result. 4. \_\_\_\_\_
5. Reduction based on your income. Enter \$50,000 if single or married filing joint. Enter \$25,000 if married filing separate. 5. \_\_\_\_\_
6. Subtract line 5 from line 2. Enter result. If line 2 is less than line 5, enter zero. 6. \_\_\_\_\_
7. Subtract line 6 from line 4. Enter result. (If zero or less, you are not eligible for the credit) 7. \_\_\_\_\_
8. If single or filing joint, enter the smaller of \$5,000 or the amount on line 7. If you are married and filing separate, enter the smaller of \$2,500 or the amount on line 7. This is your allowable credit. Enter this figure on Form 2A, Schedule II. 8. \_\_\_\_\_

Individuals who are married filing separate must file a separate schedule for each spouse.  
No carryback or carryforward of the credit is allowed.

☐ Check box if another family member is also claiming the credit. (Please provide names on an attached sheet)

## Instructions for Elderly Expense Care Credit

You may be eligible to receive a credit for paying certain expenses of an elderly family member who is at least 65 years of age or a family member who has been determined disabled for Social Security purposes.

Please read the instructions and complete the form to see if you qualify for the credit.

### Part I - Eligibility

Answer all questions. If the answer to any question is no, you are not eligible for the credit.

**Note:** Gross income includes all taxable and nontaxable income for the individual, and if married, the gross income of the spouse.

### Part II - Computation

Line 1 - Qualified elderly care expenses include the following not compensated for by insurance.

- Homemaker services, adult day care and respite care services
- Health care equipment and supplies provided to a qualifying family member
- Care in a long-term health care facility that is licensed by the Montana Department of Public Health and Human Services
- Premiums paid for long-term care insurance coverage for a qualifying family member

Lines 2-8 - complete per instructions.

Adjusted Gross Income (AGI) Multiplier Table			
If your AGI on line 2 is at least		Your multiplier for line 3 depends on your filing status	
	But not more than	Joint & Single	Married-Separate
\$0	\$25,000	.30	.15
25,001	27,000	.29	.145
27,001	29,000	.28	.14
29,001	31,000	.27	.135
31,001	33,000	.26	.13
33,001	35,000	.25	.125
35,001	37,000	.24	.12
37,001	39,000	.23	.115
39,001	41,000	.22	.11
41,001	43,000	.21	.105
43,001	55,000	.20	.10
If you are filing joint or single and your Montana AGI is \$55,000 or more, you are not eligible for the credit. If you are married filing separate and your Montana AGI is \$27,500 or more, you are not eligible for the credit.			

### Multiple Family Contributors

The credit is limited to \$5,000 for a single qualifying family member, \$5,000 for a joint return, and \$2,500 per person filing a married separate return.

The combined total credit of two or more family members cannot exceed \$10,000 per taxable year.

If your combined total exceeds \$10,000, the credit must be prorated among the contributing family members. For more information, contact the Department of Revenue for further information.







Year \_\_\_\_\_

# Deduction for Child and Dependent Care Expenses

15-30-121, MCA

Last Name	Your First Name & Middle Initial	Your Social Security No.
Spouse's Last Name if Different	Spouse's First Name & Middle Initial	Spouse's Social Security No.

1. Number of qualifying persons cared for (see specific instructions below).....1. \_\_\_\_\_
2. Enter actual amount paid during year not to exceed limitations below .....2. \_\_\_\_\_  

**Limitation:** \$2,400 for one person  
Not more than \$3,600 for two persons  
\$4,800 for three or more persons
3. Combine amounts in columns A & B from Montana adjusted gross income, Form 2, Page 2 ..... 3. \_\_\_\_\_  

A) If line 3 is less than \$18,000, **STOP HERE.** Enter amount from line 2 above on the Child and Dependent Care Line, Form 2A, Schedule I.  
Married couples filing separate on same form enter ½ of Line 2 in each column.  
OR  
B) If line 3 is over \$18,000 continue below
4. Base wage amount ..... 4. 18,000
5. Subtract line 4 from line 3 ..... 5. \_\_\_\_\_
6. Multiply line 5 by .50 ..... 6. \_\_\_\_\_
7. Subtract line 6 from Line 2 (If zero or less no deduction allowed) ..... 7. \_\_\_\_\_  

Enter amount from Line 7 on the Child and Dependent Care Line, Form 2A, Schedule I.  
**Married couples filing separate on same form enter ½ of Line 7 in each column.**

## General Instructions

### Who May Claim This Deduction

You may be eligible to take this deduction if you maintain a household which includes as a member, one or more qualifying individuals.

You will be treated as maintaining a household for any year only if you furnish over half the cost of maintaining the household for that year. If you are married for a year, you and your spouse must provide over half the maintenance cost for that year.

The expenses of maintaining a household include property taxes, mortgage interest, rent, utility charges, upkeep and repairs, property insurance, and food consumed on the premises. Expenses do not include the cost of clothing, education, medical treatment, vacations, life insurance or transportation.

### Special Rules

Married couples may take the child care deduction when filing separately on the same form. The deduction must be divided equally between the spouses. You may not claim the deduction if you are married filing separately on separate forms (filing status 4 or 5).

Gainful employment requirement: If you are married for any period during the taxable year, take into account employment-related expenses incurred during any month of that year only if:

- Both you and your spouse are gainfully employed on a substantially full-time or part-time basis, or actually seeking gainful employment, or
- Your spouse is physically or mentally incapable of self-care.

Self-employment is considered gainful employment for the purpose of this deduction.

### Child Care Deduction vs. Medical Expenses Deduction

If an expense qualifies as both employment-related and medical, you may treat it either way, as long as you do not deduct it twice.

If you treat the expense as medical, then the part of it that is not deductible because of the 7½% medical deduction limitation cannot be used as part of your employment-related expenses.

### Specific Instructions

A qualifying person must be:

- a dependent under age 15 for whom an exemption may be claimed; or
- a dependent who, regardless of age, is unable to care for himself or herself because of a physical or mental illness; or
- a spouse who is unable to care for himself or herself because of a physical or mental illness.

Note: If you are a licensed and registered day care operator providing day care for your own child and at least one unrelated child, please call the Department of Revenue at (406) 444-6900 or TDD (406) 444-2830 (for hearing impaired only). ☎



# Recycle Credit/Deduction

Instructions on back  
15-32-602 and 15-32-610, MCA

**MONTANA**  
RCYL  
Rev. 10-02

Name (as shown on Form 2)
Business name (if different from above)

Social Security Number:
Federal Identification Number:
Check one: Sub-S Corporation <input type="checkbox"/>
Partnership <input type="checkbox"/>
Sole Proprietorship <input type="checkbox"/>

## Part I

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| 1. Was the qualifying machinery/equipment purchased on or after the first day of the current taxable year and before the last date of the current taxable year?..... | <input type="checkbox"/> | <input type="checkbox"/> |
| If you answer "no" to question #1, STOP HERE. You do not qualify.  |                          |                          |
| 2. Is the machinery/equipment used in Montana primarily for collections or processing reclaimed material?.....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is the machinery/equipment used in Montana primarily for the manufacturing of finished products from reclaimed materials?.....                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is the machinery/equipment used to treat soils contaminated by hazardous wastes?.....   | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Was the machinery/equipment located and operating in Montana on the last day of the taxable year for which the credit is claimed?.....                            | <input type="checkbox"/> | <input type="checkbox"/> |
| If you answer "no" to questions #2, #3, and #4 or "no" to question #5, do not complete this form. You do not qualify for the credit.                                 |                          |                          |

## Part II - For equipment used in Montana

6. Type and purpose of equipment \_\_\_\_\_
7. Date of purchase \_\_\_\_\_
8. Cost of equipment (not to exceed \$1,000,000).....\$ \_\_\_\_\_
9. Computation of Credit (multiply the cost of the equipment by the following percentages):
- |   |          |
|---|----------|
| Multiply the first \$250,000 by 25% (.25) | _____    |
| Multiply the next \$250,000 by 15% (.15)  | _____    |
| Multiply the next \$500,000 by 5% (.05)   | _____    |
| Total Credit.....                         | \$ _____ |

## Part III - For qualifying specialized mobile equipment used in and out of Montana

10. Type and purpose of equipment \_\_\_\_\_
11. Date of Purchase \_\_\_\_\_
12. Cost of Equipment (not to exceed \$1,000,000).....\$ \_\_\_\_\_
13. Number of days used in Montana \_\_\_\_\_
14. Total days used for the year \_\_\_\_\_
15. Divide amount on line 13 by amount on Line 14. \_\_\_\_\_
16. Computation of credit:
- |   |          |
|---|----------|
| Multiply the ratio on line 15 by 25% (.25) then multiply the first \$250,000 of line 12 | _____    |
| Multiply the ratio on line 15 by 15% (.15) then multiply the next \$250,000 of line 12  | _____    |
| Multiply the ratio on line 15 by 5% (.05) then multiply the next \$500,000 of line 12   | _____    |
| Total Credit.....   | \$ _____ |
17. **Total Credit Available** (Amount from line 9 and/or line 16)  
Enter this amount on Schedule II, Form 2A.....\$ \_\_\_\_\_

## Part IV - Additional deduction for purchase of recycled material

- A. Type of recycled material purchased \_\_\_\_\_
- B. Cost of recycled material.....\$ \_\_\_\_\_
- C. Multiply the amount on line B by 10% (.10) and enter the result here. This is the amount of your additional deduction.  
Enter on line 34, Form 2.....\$ \_\_\_\_\_

Amount of credit may not exceed tax liability

Attach this form to your return

# Instructions For Recycling Credit

This credit is available to certain sole proprietorships, partnerships, and small business corporations that qualify.

The tax credit is available only for the procurement of machinery and/or equipment that is depreciable (Defined in IRS Code Section 167). The machinery and/or equipment must be used in Montana; primarily for the collection or processing of reclaimable material or in the manufacturing of finished products from reclaimed material or to treat soils contaminated by hazardous wastes.

The basis for the credit is generally the cost of the property before consideration of trade-in equipment. An exception to this is that the basis shall be reduced by any trade-in which has had this credit previously taken on it. This includes the purchase price, transportation cost (if paid by the purchaser) and the installation cost before depreciation or other reductions. This credit does not increase or decrease the basis for tax purposes.

Recycling machinery and/or equipment must be located and operating in Montana on the last day of the taxable year for which the credit is claimed. The machinery or equipment must be used to collect, process, separate, modify, convert or treat solid waste into a product that can be used in place of a raw material for productive use or to treat soils contaminated by hazardous wastes. This does not include transportation equipment unless it is specialized to the point that it can only be used to collect and process reclaimable material.

The owners of a small business corporation, partnership or sole proprietorship must prorate the credit in the same proportion as their ownership in the business unless an agreement states otherwise.

Only a taxpayer that owns an interest either directly or through a pass-through entity such as a partnership or S corporation and is operating the equipment as the primary user on the last business day of the year may claim the credit.

The credit is limited to the amount of the taxpayer's income or corporation tax liability. Any excess credit is not refundable nor can it be carried back or forward to other tax years.

The Department of Revenue may disallow a credit resulting from a sale or lease when the overriding purpose of the transaction is not to collect or process reclaimable material or manufacture a product from reclaimed material.

## Definitions

“COLLECT” is the collection and delivery of reclaimed materials to a recycling or reclaimable materials processing facility.

“MACHINERY or EQUIPMENT” is property having a depreciable life of more than one year. The machinery or equipment collects or processes reclaimable material or is used in the manufacturing of a product from reclaimed material.

“RECLAIMABLE MATERIAL” is material that has useful physical or chemical properties after serving a specific purpose and that is normally disposed of as solid waste by a consumer, processor or manufacturer. Material may not be considered reclaimed by the consumer, processor or manufacturer that generated the material.

“RECYCLED MATERIAL” is a substance that is produced from reclaimed material as provided in Montana Code Annotated, 15-32-609 and defined under the Administrative Rules of Montana, 42.15.507. Reclaimed material collected, processed or used to manufacture a product may not be an industrial waste generated by the person claiming the tax credit.

The tax credit allowable under this section may not exceed the current year's liability. Unused or excess credit may not be refunded and may not be carried back to prior years or forward to any succeeding tax year.

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. 



# Amended Montana Individual Income Tax Return Year \_\_\_\_\_

Fiscal Year Beginning \_\_\_\_\_ and Ending \_\_\_\_\_ If Fiduciary Return Check Box ☐  
Attach copy of Original Return

Last Name	Your First Name & Middle Initial	Your Social Security No.
Spouse's Last Name if different	Spouse's First Name & Middle Initial	Spouse's Social Security No.
Address	City	State Zip Code +4

➡ Please explain the changes on the back of this form ⬅

Filing Status Check One	1 Single <input type="checkbox"/>	2 Married filing joint return <input type="checkbox"/>	3 Married and both filing separate returns on this form <input type="checkbox"/>	4 Married and both filing separate returns on separate forms <input type="checkbox"/>	5 Married filing separate return and spouse is not filing <input type="checkbox"/>	6 Head of Household <input type="checkbox"/>
----------------------------	--------------------------------------	--	---	--	---	--

This form must be filled out completely

Income and Deductions		As Filed or Last Corrected		Net Change		As Amended	
		COLUMN A for yourself, joint separate or single	COLUMN B (spouse)	COLUMN A Increase or Decrease	COLUMN B Increase or Decrease	COLUMN A for yourself, joint separate or single	COLUMN B (spouse)
1. Federal Adjusted Gross Income .....	1.						1.
2. Additions to income .....	2.						2.
3. Reduction of income .....	3.	( ) ( )				( ) ( )	3.
4. Montana adjusted gross income (1+2-3) .....	4.						4.
5. Deductions—(itemized or standard) .....	5.						5.
6. Subtract line 5 from 4 .....	6.						6.
7. Enter exemption deduction .....	7.						7.
8. Taxable income (subtract line 7 from line 6) .....	8.						8.
<b>Tax Liability</b>							
9. Tax liability from tax table .....	9.						9.
10. Tax on lump sum distribution .....	10.						10.
11. Subtotal, add lines 9 and 10 .....	11.						11.
12. Allowable credits .....	12.						12.
13. Subtotal, subtract line 12 from line 11 .....	13.						13.
14. Investment credit recapture from Form RIC .....	14.						14.
15. Old Fund Liability Tax *See below .....	15.						15.
16. Total tax, add lines 13, 14 and 15 .....	16.						16.
17. Contributions to other programs (list) .....	17.						17.
18. Total of lines 16 and 17 .....	18.						18.
19. Combine amounts on line 18 columns A & B .....	19.						19.
20. Montana tax withheld .....	20.						20.
21. Payments and credits on Estimated Tax .....	21.						21.
22. Elderly Homeowner/Renter Credit from Form 2EC... ..	22.						22.
23. Total of lines 20 through 22 .....	23.						23.
24. Combine amounts on line 23, columns A & B .....	24.						24.
25. Amount paid with original return, plus additional tax paid after it was filed (Tax only, do not include penalty and Interest) .....	25.						25.
26. Total of line 25 plus line 24 as amended .....	26.						26.
<b>Refund or Balance Due</b>							
27. Total refund(s) received for year amending. ....	27.						27.
28. Subtract line 27 from line 26 and enter result .....	28.						28.
29. Refund to be received. If line 28 is more than line 19, enter the difference .....	29.						29.
30. Amount of line 29 to be credited to _____ estimated tax.....	30.						30.
31. Tax Due. If line 28 is less than line 19, enter difference. Please pay in full .....	31.						31.
32. Interest computed on amount shown on line 31 (see instructions on back for interest rates) .....	32.						32.
33. Balance Due, add line 31 and 32. Please pay in full .....	33.						33.

\*OFLT no longer exists for years 1999 and beyond.

Make checks payable to the Department of Revenue  
For **Tax Due** Mail to: Montana Department of Revenue  
PO Box 6308  
Helena, MT 59604-6308  
For **Refund** Mail to: Montana Department of Revenue  
PO Box 6577  
Helena, MT 59604-6577

Name, Address, and Telephone Number of Preparer

Post dated checks will be returned

I, the undersigned, declare under the penalties of false swearing, that I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief it is a true, correct, and complete return made in good faith.

Your Signature \_\_\_\_\_ Date \_\_\_\_\_ (Daytime) Telephone Number \_\_\_\_\_ Signature of Spouse \_\_\_\_\_ Date \_\_\_\_\_

Last Name and Initial	Social Security Number	Year Amending
-----------------------	------------------------	---------------

**Note:** When filing an amended tax return, it is required that you complete the explanation section of this form. You must also attach revised federal and state tax forms, schedules, and worksheets. If amending to change your filing status from joint to separate, attach a detailed breakdown showing the allocation of income and deductions between spouses. Omitting any of this information will delay the processing of your amended return.

For Tax year 2001 the federal tax deduction must be reduced by the Federal Advanced Payment.

**It is recommended that you attach a copy of your original return.**

## Instructions for Form 2X

This form is to be used by all individuals who are changing an original Montana Income Tax Return. When completing this return use the instructions which pertain to the year you are amending. Be sure to give a detailed explanation of the reason for the change and attach applicable schedules.

Interest Rates: For years prior to 2000, the interest rate is 9% (.09) per year or .75% (.0075) per month. For years 2000 and later the interest rate is 12% (.12) per year or 1% (.01) per month.

A new law enacted by the 1999 Montana legislature requires that taxpayers file an amended Montana income tax return if the federal government changes the taxpayer's federal taxable income. The amended return must identify the federal adjustments and must recalculate Montana tax for the year adjusted. Taxpayers must file the Montana amended return within 90 days of receiving the Internal Revenue Service's notification of the corrections made to the federal return.

[illegible]

Processing of amended returns takes longer than the processing of current year returns. Current year returns receive processing priority.

# Extension Payment Worksheet

Instructions on Back

15-30-144, MCA

Do not mail this worksheet in with your check and payment coupon. Complete it and attach it to your Montana income tax return for calendar year 2002 or fiscal year beginning \_\_\_\_2002.

Last Name	Your First Name & Middle Initial	Your Social Security No.
-----------	----------------------------------	--------------------------

## This Section Must Be Completed

1. 100% of 2001's tax liability reported on line 53 of 2001 Form 2 or line 31 of 2001 Form 2S .....	1.		
2. Total tax liability for 2002 entered on line 53, Form 2, or line 31, Form 2S .... (If unable to calculate 2002 tax on line 2 enter amount from line 1 above on line 4, then go to line 5).	2.		
3. Enter 90% of line 2 .....	3.		
4. Enter the lesser of line 1 or 3 .....	4.		
5. 2002 Montana State income tax withheld .....	5.		
6. 2002 Montana estimated tax payments/2001 overpayment credited to 2002 .....	6.		
7. 2002 (2EC) Elderly Homeowner Credit .....	7.		
8. Add lines 5, 6 and 7, this is the total amount credited as of 4/15/2003 .....	8.		
9. Subtract line 8 from line 4, (if line 8 is greater than line 4, enter zero). you <u>must</u> pay this amount on or before April 15, 2003 .....	9.		

If you have more than \$1 on line 9, complete the coupon below and mail with your payment to:

Montana Department of Revenue  
PO Box 6308  
Helena, MT 59604-6308

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**Form-IT\***

## Montana Individual Income Tax Payment Coupon

Please use this coupon to ensure  
proper credit of your payment



Current Year

Name \_\_\_\_\_

Telephone # \_\_\_\_\_

Year Ending  
Date

month day year

1	2	3	1	2	0	0	2
---	---	---	---	---	---	---	---

1. Social Security  
Number

--	--	--	--	--	--	--	--

2. Amount Paid

--	--	--	--	--	--	--	--	--	--

cents

710004

**Interest on returns filed with an extension...**

- A valid extension to file your return does not relieve an individual from interest on tax balances due which are paid after the due date of the return.
- Interest is assessed at a rate of 1% per calendar month from the due date of the return until paid.

**To avoid a late pay penalty...**

- This payment and coupon must be postmarked on or before April 15, 2003.
- You must attach a copy of your Federal extension to your Montana income tax return for calendar year 2002.
- For the additional 2 month extension attach a copy of your Federal Form 2688 to your Montana return.
- Fiscal year filers must pay on or before the 15th day of the fourth month after the close of the fiscal year.

If the above requirements are not met, a penalty will be assessed when you file your return. The penalty is 1.5% per month or fraction of a month on the amount required to be paid on this form. The penalty may not exceed 18%.

Mail payment and coupon to:

Montana Department of Revenue  
PO Box 6308  
Helena, MT 59604-6308



# 2003 - Montana Individual Estimated Income Tax Worksheet

(Keep for Your Records)

**MONTANA**  
ESW  
Rev. 8-02

Note: You may use your 2002 tax liability from line 53 of Form 2 or line 31 of Form 2S to estimate your 2003 tax. If you choose this method skip lines 1 through 6 and enter your 2002 tax liability on line 7 below.

See instructions on back of coupons

1. Enter total amount of Montana adjusted gross income expected in 2003.....		1.	
2. Enter estimated amount of			
a. 2003 itemized deductions or standard deduction.*	2a.		
b. Enter 2002 exemption amount, \$1,740 for each allowable exemption.	2b.		
Total of 2a. and 2b.....		2.	
3. Calculated by subtracting line 2 from line 1. If <u>zero</u> or less, do not go any further. You are not subject to estimated tax, <u>Do not send in coupons.</u>		3.	
4. Tax. a. Figure tax on the amount on line 3 by using the tax table on back.	4a.		
b. Lump Sum Distribution Tax (10% of Federal Lump Sum Distribution Tax)	4b.		
Total of 4a. and 4b.....		4.	
5. Credits against tax. <u>Do not</u> include income tax withholding on this line.....		5.	
6. Subtract line 5 from line 4.....		6.	
7. a. Multiply line 6 by 90%	7a.		
b. Enter 100% of the tax shown on your 2002 tax return (line 53 of your 2002 Form 2 or line 31 of your 2002 Form 2S)	7b.		
Enter the smaller of line 7a or 7b. (If unable to compute through 7a enter the amount from line 7b.).....		7.	
8. a. Calculate the amount of Montana individual income tax to be withheld in 2003. Examples include withholding on wages, pensions, annuities, withholding from pass through entities, etc.	8a.		
b. Amount of your 2002 overpayment applied to 2003 tax	8b.		
c. Enter your calculated Homeowner or Renter Credit for 2003	8c.		
Total of 8a, 8b, and 8c.....		8.	
9. Subtract line 8 from line 6. If less than \$500, stop here. You are not subject. to estimated tax. If \$500 or more subtract line 8 from line 7 and enter that amount on line 9 and continue to line 10.....		9.	

## Payment Due Dates



	a	b	c	d
	April 15, 2003	June 15, 2003	Sept. 15, 2003	Jan. 15, 2004
10. Divide the amount on line 9 by four (4). Enter the result in columns a, b, c & d on line 10.	10.			
11. Annualized income installment. (Request Form ESA from the department.) Enter amount from line 25c of Form ESA and enter on this line.	11.			
12. Enter the amount from line 10 or 11 whichever applies. This is the payment due for each installment period.	12.			

\*20% of line 1, but not more than \$3,260 if single or separate, \$6,520 if filing joint or head of household.

**Form-IT-EST**

## Montana Individual Income Tax Payment Coupon

Please use this coupon to ensure proper credit of your payment



Estimated Tax

Name \_\_\_\_\_

Telephone # \_\_\_\_\_

Year Ending  
Date

month      day      year

1 2 3 1 2 0 0 3

1. Social Security  
Number

□ □ □ □ □ □ □ □

2. Amount Paid

□, □ □ □ □, □ □ □ □. □ □  
cents

## Purpose of This Package

Use this package to calculate and pay your estimated tax. Estimated tax is the method used to pay tax on income that is not subject to withholding. Examples are income from self-employment, interest, dividends, rents, alimony, royalties, etc.

Follow these steps:

- Read the instructions in this packet.
- Complete the worksheet on front.
- Complete an Estimated Tax Coupon (enclosed) if you are required to pay estimated tax.
- Keep a record of your payments.

### Who must pay Estimated Tax?

In most cases, you must make estimated tax payments for tax year 2003 if you expect to owe at least \$500 after subtracting any withholding and credits you may have.

If you are required to pay estimated taxes, you must file estimated tax coupons and pay at least the smaller of:

- 100% of your 2002 Montana tax liability (line 53 of Form 2 or line 31 of Form 2S).
- Or
- 90% of your 2003 Montana income tax liability.

### Who does not have to pay estimated tax?

Payment of estimated tax is not required if:

- your 2002 tax period covered 12 months and your Montana tax liability was zero, or
- you were not required to file a 2002 Montana tax return, or
- in 2003 you retired and were at least 62 years old (this exception pertains only in the year you retire and the year after), or
- In 2003 you became disabled, or
- at least 2/3 of your gross income is derived from farming or ranching operations or both, (note: Montana has no "lookback" provision) or
- the taxpayer died in 2003 (however, estates are subject to the estimated tax requirements), or
- the tax liability is less than \$500 after credits and/or withholding.

### Nonresidents and Part-Year Residents

- Nonresidents and part-year residents who are not required to file a Montana individual income tax return are not subject to file estimated tax.
- Part-year residents and nonresidents are required to make estimated tax payments if they expect to owe at least \$500 after subtracting withholding and allowable credits.

#### If Taxable Income is:

Over	But not over	Multiply by	and Subtract = Tax
\$ 0 .....	\$ 2,200 ....	X .... 2 % .....	\$ 0
\$ 2,200 .....	\$ 4,400 ....	X .... 3 % .....	\$ 22
\$ 4,400 .....	\$ 8,700 ....	X .... 4 % .....	\$ 66
\$ 8,700 .....	\$13,100 ....	X .... 5 % .....	\$ 153
\$13,100 .....	\$17,400 ....	X .... 6 % .....	\$ 284

----- Example = taxable income \$2,400 x 3% (.03) = \$72 subtract \$22 = \$50 tax -----

## General Information

Complete the Form-IT Payment Coupon below if you are remitting a payment. Do not type your numbers or use dollar signs. Please print your numbers in the blocked areas like this:

									cents	
1	2	3	4	5	6	7	8	9	0	

### Penalty for Underpayment

Note: An underpayment penalty will be assessed if you fail to make required estimated tax payments.

### When to pay your estimated tax

#### Calendar Year Taxpayers

You may prepay all of your estimated tax for tax year 2003 by April 15, 2003, or in four equal amounts by the dates below.

#### 2003 Estimated Payment Schedule:

First payment	—	due April 15, 2003
Second payment	—	due June 15, 2003
Third payment	—	due Sept. 15, 2003
Fourth payment	—	due Jan. 15, 2004

If the installment due date falls on a holiday, payment is due on the next working day.

#### Fiscal Year Taxpayers

Due dates for fiscal year filers are the 15th day of the 4th, 6th, and 9th months of the fiscal year and the 1st month of the following fiscal year.

A penalty will not be imposed on any underpayment of the fourth installment if you pay in full the amount computed on the return as payable and file the return on or before the last day of the first month following the close of the tax year.

Mail to: Department of Revenue  
PO Box 6308  
Helena, MT 59604-6308

Do not use these coupons to pay your current tax liability.

For Tax Help: (406) 444-6900 or TDD (Telephone Device for the Deaf) (406) 444-2830. ☎

#### TaxTable

#### If Taxable Income is:

Over	But not over	Multiply by	and Subtract = Tax
\$17,400 ....	\$21,800 ....	X .... 7 % .....	\$ 458
\$21,800 ....	\$30,500 ....	X .... 8 % .....	\$ 676
\$30,500 ....	\$43,500 ....	X .... 9 % .....	\$ 981
\$43,500 ....	\$76,200 ....	X .... 10 % .....	\$ 1,416
\$76,200 .....		X .... 11 % .....	\$ 2,178

## Instructions-Form ESW

Complete Form ESW to ensure your 2003 estimated tax is as accurate as possible to avoid penalties.

Note: You may use your 2002 Montana tax liability to estimate your 2003 tax. If you choose this method, skip lines 1 through 6 and enter your 2002 tax liability (line 53 of Form 2 or line 31 of Form 2S) on line 7 on Form ESW.

**Line 1.** Enter your calculated 2003 Montana adjusted gross income. Montana adjusted gross income is your 2003 Federal adjusted gross income plus or minus any Montana adjustments to income.

**Line 2-4.** Self explanatory.

**Line 5.** Enter your calculated 2003 credits against tax. Examples are credit for Elderly Care, College Contribution Credit and tax paid to other states.

**Line 8.**

a) Use your 2003 paycheck or pension check stubs received to date to estimate your total 2003 withholding. You may also include Montana state tax paid on your behalf by a pass-through entity.

b) Enter any 2002 overpayment carried to 2002 that was not refunded to you.

c) If you qualify for the Elderly Homeowner/ Renter Credit (2EC), enter the anticipated amount of credit. If this credit was claimed in 2002, you may want to use the same figures if no major changes in 2003 income are expected.

**Line 9.** Subtract 2003 withholding and credits on line 8 from your estimated 2003 tax liability on line 7. If less than \$500, you are not required to make estimated tax payments. If \$500 or more, subtract line 8 from line 7 to determine the total amount you must pay. Enter this amount on line 9 and complete the remainder of the worksheet.

**Lines 10, 11 and 12.** Calculate your payments for each installment. If your tax situation changes, each succeeding installment must be proportionally changed so that the balance of the estimated payment requirement is paid in equal installments over the remaining period.

Note: If the installment due date falls on a holiday, payment is due on the next working day.

Mail to:  
Department of Revenue  
PO Box 6308  
Helena, MT 59604-6308



## Indian Certification

This form must be completed and attached to your tax return every year.

This is to certify the record of \_\_\_\_\_

Tribe

at \_\_\_\_\_, Montana, shows \_\_\_\_\_

City

Person

is an enrolled member of the tribe and possesses all the rights of membership equivalent to any other member.

Social Security No. \_\_\_\_\_

Enrollment No. \_\_\_\_\_

Authorizing Officer

Date

---

I declare that I am a full tribal member enrolled, residing and earning all income for which I claim an exemption on the reservation of the above named tribe.

\_\_\_\_\_  
Tribal Member

\_\_\_\_\_  
Date

### Indian Reservation Income

Effective January 1, 1994, Native American Indians who do not reside and work on the reservation of the tribe in which they are enrolled will be subject to Montana tax on all income whether earned on or off the reservation.

Native American Indians working in Montana are required to file a Montana tax return even if the income earned is exempt from Montana tax.

Any loss incurred on the reservation cannot be used to offset taxable income. Certification of enrollment (Form IND) and proof the income was earned on the reservation must be attached to the return each year.

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. 

Attach this form to your return



## North Dakota Reciprocal Affidavit

Instructions on back

First name and middle initial (if joint affidavit, use first names and middle initials of both)		Last name		Your Social Security Number
Address	City	State	Zip Code	Spouse's Social Security Number

1. Enter the taxable year for which this affidavit is being submitted: \_\_\_\_\_
2. Enter the amount of income received for personal or professional services rendered within Montana for which you claim exemption. \$ \_\_\_\_\_
3. Was Montana income tax withheld on the income reported on line 2?      yes \_\_\_\_\_      no \_\_\_\_\_
4. Was federal income tax withheld on the income reported on line 2?      yes \_\_\_\_\_      no \_\_\_\_\_
5. Enter the name and address of the employer(s) from whom you received the income reported on line 2. If additional space is required, use the reverse side of this form.

Name	Address

6. Was North Dakota your state of legal residence during the entire taxable year for which this affidavit is being submitted?  
yes \_\_\_\_\_ no \_\_\_\_\_
7. Are you filing a North Dakota Individual Income Tax Return reporting the income entered on line 2, above?  
yes \_\_\_\_\_ no \_\_\_\_\_ If yes, submit a copy of the North Dakota return with your Montana return.
8. Were you ever a Montana resident ? yes \_\_\_\_\_ no \_\_\_\_\_ If "yes", enter the last year you were a Montana resident? \_\_\_\_\_

I swear that the above information is true and correct to the best of my knowledge and is submitted in good faith.

_____ Your Signature	_____ Date	_____ Spouse's Signature (if filing a joint affidavit, both must sign)	_____ Date
-------------------------	---------------	--	---------------

# Instructions

**General.** Pursuant to statutory authority, the states of Montana and North Dakota have entered into a reciprocal income tax agreement whereby neither state will tax residents of the other state on certain income from personal services. Effective with taxable years beginning on and after January 1, 1975, compensation which is subjected to withholding of Federal Income Tax and is received for personal or professional services rendered with the State of Montana by an individual who is a North Dakota resident is excluded from Montana adjusted gross income to the extent said income is reported on the individual's North Dakota Individual Income Tax return. In order to claim this exclusion you must file Affidavit Form NR-1.

**Joint Affidavit.** If both husband and wife have income which is exempt under the Montana - North Dakota Reciprocity Agreement, they may file a joint affidavit on Form NR-1.

**Montana Income Tax Withheld.** If Montana Income Tax has been withheld by your employer, you must file a Montana Individual Income Tax Return (Form 2), even though your income is exempt under the reciprocity agreement. In such case, Affidavit Form NR-1, Montana wage and tax statements and a copy of your North Dakota income tax return must be attached to your Montana return. Also, you may want to file Form NR-2 (Employee's Certificate of North Dakota Residence) with your employer to stop withholding of Montana Income Tax on such exempt income.

**Montana Income Tax Not Withheld.** If Montana Income Tax was not withheld by your employer and all of your Montana income is excludible under the reciprocity agreement, you do not have to file a Montana Income Tax Return (Form 2). In this case, you need file only Affidavit Form NR-1.

**How to Obtain Forms.** Call (406) 444-6900 or mail requests to the Montana Department of Revenue, P.O. Box 5805, Helena, MT 59604-5805.

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. 

This form, Montana W-2's, and a copy of your North Dakota return must be submitted with your Montana return.



## Employee Certificate of North Dakota Residence

Use this form to terminate withholding of Montana income tax with respect to compensation which is exempt under the Montana-North Dakota Reciprocity Agreement.

I, \_\_\_\_\_, hereby certify that I am a legal resident of the State of North Dakota for purposes of state individual income tax, and my home address in North Dakota is:

---

Address	City	State	Zip
---------	------	-------	-----

I swear that the statements I have made in this certificate are true and correct.

---

Signature	Date	Social Security Number
-----------	------	------------------------

### Statement of Explanation

Pursuant to statutory authority 15-30-306 Montana and North Dakota have executed a reciprocal income tax agreement whereby Montana will not tax North Dakota residents on income from personal services rendered in Montana, and North Dakota will not tax Montana residents on income from personal services rendered in North Dakota. The exemption is specifically limited to compensation for personal or professional services which is subject to withholding of federal income tax.

Withholding of Montana income tax will not be required for the above described compensation paid to an employee who is a North Dakota resident, provided, the employee has furnished his/her employer with Certificate of Residence Form NR-2.

### Instructions to Employee

Complete two copies of this form. File one copy with your employer, and mail the other copy to the Montana Department of Revenue. PO Box 5835, Helena, MT 59604-5835.

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. 





MONTANA  
2101  
Rev. 9-02

## W-2 Withholding Declaration

Please Print or Type

Name of Taxpayer (Employee) \_\_\_\_\_

Social Security Number \_\_\_\_\_

Complete Address \_\_\_\_\_

Name of Employer \_\_\_\_\_

Business Name \_\_\_\_\_

Complete Address \_\_\_\_\_

Type of Business \_\_\_\_\_

Employer's Federal I.D. Number \_\_\_\_\_

Tax Year \_\_\_\_\_

Total Wages Paid \$ \_\_\_\_\_

Federal Income Tax Withheld \$ \_\_\_\_\_

Montana State Income Tax withheld \$ \_\_\_\_\_

I hereby declare under penalty of perjury that the above named employer,  
**Circle one: failed to furnish, refused to furnish**  
me with copies of Federal Form W-2 showing the Montana State Income Tax  
withheld from my wages. The amount stated above as Montana income tax withheld  
was arrived at in the following manner (list and attach documents used to make your  
calculation):

\_\_\_\_\_  
Signature of Taxpayer

\_\_\_\_\_  
Date

Attach a copy of this form to your return

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. 



# Net Operating Loss Worksheet

For 1998 and prior years

Loss Year \_\_\_\_\_

MONTANA  
NOL  
Rev. 8-99

Note: For NOL's generated in tax year 1999 and forward, use Form NOL-99

## Attach NOL worksheets to all tax returns affected by NOL

Form NOL, page 1, is used to compute a net operating loss only for the year(s) you incur a loss. Do not complete page 1 for carryover or carry back years. Page 3 should be completed to record the amount of carryover or carryback absorbed each year and the remaining balance available to carry. Page 2 is used to compute the modified income for each carryover or carryback year which determines the amount of net operating loss absorbed each year.

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

### I. State Additions & Subtractions

1. Federal adjusted gross income..... 1. \_\_\_\_\_
2. Interest received on non-Montana bonds..... 2. \_\_\_\_\_
3. Federal refunds received..... 3. \_\_\_\_\_
4. Add lines 1, 2, and 3..... 4. \_\_\_\_\_
5. Itemized deductions..... 5. \_\_\_\_\_
6. Enter the reductions of wages under the targeted jobs credit..... 6. \_\_\_\_\_
- 7a. Net non-Montana income (Only years prior to 1992. Nonresident & part year resident only)..... 7a. \_\_\_\_\_
- 7b. Net non-Montana losses (Only years prior to 1992. Nonresident & part year resident only)..... 7b. \_\_\_\_\_
8. Add lines 4, 5, 6, and 7a or 7b. (Montana NOL before adjustments.)..... 8. \_\_\_\_\_

### II. Nonbusiness Deductions in Excess of Nonbusiness Income

9. Enter your nonbusiness capital losses..... 9. \_\_\_\_\_
10. Enter your nonbusiness capital gains ..... 10. \_\_\_\_\_
11. If the amount on line 9 is larger than the amount on line 10, enter the difference; otherwise, enter zero..... 11. \_\_\_\_\_
12. If the amount on line 10 is larger than the amount on line 9, enter the difference; otherwise, enter zero..... 12. \_\_\_\_\_
13. Enter your nonbusiness deductions (Itemized deductions, IRA, etc.)..... 13. \_\_\_\_\_  
(Federal income taxes must be prorated between taxable business income and taxable nonbusiness income. If you have no business income, federal income taxes are fully attributable to nonbusiness income)
14. Enter your nonbusiness income (other than capital gains)..... 14. \_\_\_\_\_  
(Include amounts shown on lines 2 and 3)
15. Add lines 12 and 14..... 15. \_\_\_\_\_
16. If line 13 is more than line 15, enter the difference; otherwise enter zero..... 16. \_\_\_\_\_

### III. Adjustment for Capital Loss Limitation

17. If line 15 is more than line 13, enter the difference (but not more than line 12); otherwise, enter zero..... 17. \_\_\_\_\_
18. Enter your business capital losses ..... 18. \_\_\_\_\_
19. Enter your business capital gains..... 19. \_\_\_\_\_
20. Add lines 17 and 19..... 20. \_\_\_\_\_
21. If line 18 is more than line 20, enter the difference; otherwise enter zero..... 21. \_\_\_\_\_
22. Add lines 11 and 21, but no more than your capital loss limitation..... 22. \_\_\_\_\_
23. Enter any Net Operating Losses from other years included in Federal adjusted gross income on line 1. (Enter as a positive number)..... 23. \_\_\_\_\_
24. Add lines 16, 22 and 23..... 24. \_\_\_\_\_
25. Add lines 8 and 24. This is your **Montana Net Operating Loss**..... 25. \_\_\_\_\_

☐ Check box if you forego carryback and elect to carryforward. The election must be made on the original timely filed return.

## Montana Individual Net Operating Loss Worksheet 3

Begin with the first year of carryback. If electing to forgo the carryback period, begin with the year the NOL was generated.

[illegible]

## Calculation of Loss Absorbed in Carryover Years

	Year_____	Year_____	Year_____	Year_____
1. Federal adjusted gross income as last determined (W/O loss)	_____	_____	_____	_____
2. <u>Add:</u> Adjustments				
(a) Capital Gain Deduction (federal)	_____	_____	_____	_____
(b) Non-Montana interest	_____	_____	_____	_____
(c) Federal refund	_____	_____	_____	_____
(d) Capital loss deduction	_____	_____	_____	_____
3. Federal adjusted gross income as adjusted (add lines 1, 2a, 2b, 2c and 2d)	_____	_____	_____	_____
4. Less: Itemized Deductions or Standard Deduction Complete lines A through O.	_____	_____	_____	_____
5. Modified Income (NOL absorbed) (line 3 minus line 4)	_____	_____	_____	_____
<b>Itemized Deductions</b>				
A. 50% medical insurance premiums (1995 & 1996). 100% medical insurance premiums (beginning 1997).	*_____	_____	_____	_____
B. Unadjusted medical expenses	_____	_____	_____	_____
C. 7.5% of line 3 (5% for 1986)	_____	_____	_____	_____
D. Subtract C from B	*_____	_____	_____	_____
E. Taxes	*_____	_____	_____	_____
F. Interest	*_____	_____	_____	_____
G. Contributions	*_____	_____	_____	_____
H. Unadjusted casualty Loss From Form 4684	_____	_____	_____	_____
I. 10% of Line 3	_____	_____	_____	_____
J. Subtract I from H	*_____	_____	_____	_____
K. Unadjusted miscellaneous expenses	_____	_____	_____	_____
L. 2% of line 3	_____	_____	_____	_____
M. Subtract line L from K	*_____	_____	_____	_____
N. Miscellaneous deductions (Not subject to 2%)	*_____	_____	_____	_____
O. Total: (Add lines marked with * A, D, E, F, G, J, M and N)	_____	_____	_____	_____

**NOTE:** If carryover of a NOL is more than 4 years, attach an additional worksheet.

Line 1 may have to be adjusted when dealing with more than one NOL within the same year.



# Montana Net Operating Loss Worksheet For Year \_\_\_\_\_

**MONTANA**  
NOL-99  
Rev. 8-02

1. Montana adjusted gross income from Montana Form 2.  
Resident estates and trusts skip lines 1 and 2.
2. Deductions:
  - a. Enter itemized or standard deduction amount from Montana Form 2.
  - b. Enter your exemption deduction from Montana Form 2.
  - c. Add lines 2a and 2b.
3. Combine lines 1 and 2 c. Resident estates and trusts enter taxable income.
4. Deduction for exemptions from line 2b above. Estates and trusts enter exemption amount from tax return.
5. Total nonbusiness capital loss before limitation. (Enter as a positive number.)
6. Total nonbusiness capital gains
7. If line 5 is more than line 6, enter difference; otherwise enter -0-.
8. If line 6 is more than line 5, enter difference; otherwise enter -0-.
9. Nonbusiness deductions. See instructions
10. Nonbusiness income other than capital gains.  
See instructions.
11. Add lines 8 and 10.
12. If line 9 is more than line 11, enter difference; otherwise enter -0-.
13. If line 11 is more than line 9, enter difference; otherwise enter -0-. Do not enter more than line 8.
14. Total business capital losses before limitation.  
(Enter as a positive number.)
15. Total business capital gains.
16. Add lines 13 and 15.
17. If line 14 is more than line 16, enter difference; otherwise enter -0-.
18. Add lines 7 and 17.
19. Enter the total loss from Schedule D, Form 1040. Estates and Trusts enter the loss from Schedule D Form 1041.  
Enter as a positive number. If you do not have a loss on this schedule and do not have a Section 1202 exclusion, skip lines 19 through 24 and enter on line 25 the amount on line 18 but no more than the limitation.
20. Section 1202 exclusion. Enter as a positive number.
21. Subtract line 20 from line 19. If zero or less enter 0.
22. Enter the loss from the limitation line of Schedule D, Form 1040. Estates and Trusts, Schedule D, Form 1041. Enter as a positive number.
23. If line 21 is more than line 22, enter the difference otherwise enter zero.
24. If line 22 is more than line 21 enter the difference.
25. Subtract line 23 from line 18. If zero or less enter 0.
26. Net operating loss deduction for losses from other years. Enter as a positive number.
27. Add lines 4,12,20,24,25 and 26. Enter as a positive number.
28. Net operating loss. Combine line 3 and 27. If the amount is less than zero, enter it here and on page 3 of the Montana NOL Worksheets. See instructions for details on how to report your NOL on Montana Form 2.

1.		
2a.		
2b.		
2c.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		
21.		
22.		
23.		
24.		
25.		
26.		
27.		
28.		

Check here if electing to forego carryback of this NOL. ☐  
This election must be made on a timely filed original return

If you are a farmer, indicate here the  
carryback period you are claiming. \_\_\_\_\_

Check box if you forego the 5 year carryback for 2001-2002 and elect the 2 year carryback. ☐

## Montana Net Operating Loss Calculation Instructions

For Montana NOL-99 Worksheet, Page 1

For tax years 1999 and forward

**Line 1-** Enter your Montana adjusted gross income.

**Line 2-** Enter your Montana Itemized or standard deductions and Montana exemptions

**Line 4-** Adjustment for exemptions. You cannot deduct your personal exemption or your exemptions for dependents. An estate or trust cannot deduct its exemption amount. Your adjustment is the total amount of exemptions you deducted.

**Line 9-** Non business deductions. Enter on line 9 as your non business deductions only those items that are not related to your trade or business or to your employment. For example, enter your deductions for alimony, contributions to IRA, or other retirement plan, medical expense, charitable contributions. If you do not itemize, include your standard deduction.

Do not include your deductions for casualty and theft loss or for the one-half of self employment tax. Treat these as business deductions.

Also do not include your deductions for expenses that are ordinary and necessary in carrying on your trade or business or your employment, your deduction for your share of a business loss from a partnership or S-corporation, or related deductions for following items:

- Moving expense
- Federal income tax related to net business profits.
- Loss on property you rent out.

**Line 10-** Non business Income. Enter on line 10 only income that is not related to your trade or business or your employment. For example, enter your annuity income, dividends, and interest from investments. Also include your share of non business income from partnerships and S-corporations.

Do not include the income you receive from your trade or business or your employment This includes salaries and wages, self employment income, and your share of business income from partnerships and S-corporations. Also do not include rental income or ordinary gain from the sale or other disposition of business real estate or depreciable property.

**Line 20 -** Adjustment for section 1202 exclusion. Enter on Line 20 any gain you excluded on the sale or exchange of qualified small business stock.

**Line 24 and line 25-** Adjustments for capital losses. You can deduct your nonbusiness capital losses (line 5) only up to the amount of your nonbusiness capital gains (line 6) without regard to any section 1202 exclusion. If your nonbusiness capital losses are more than your nonbusiness capital gains, you cannot deduct the excess.

You can deduct your business capital losses (line 14) only up to the total of:

- Your nonbusiness capital gains that are more than the total of your nonbusiness capital losses and excess nonbusiness deductions (line 13), and
- Your business capital gains (line 15), without regard to any section 1202 exclusion.

You had a nondeductible net capital loss if your net capital loss was more than your capital loss deduction. The adjustment on line 24 is your capital loss deduction (line 22) that is more than your net capital loss without regard to any section 1202 exclusion (line 21). The adjustment on line 25 is your non-deductible capital losses (line 18) that are more than the non-deductible net capital loss on your return (line 23) without regard to any section 1202 exclusion claimed on Schedule D.

**Line 26-** Adjustments for NOL deduction. You cannot deduct any NOL carryovers or carrybacks from other years. Your adjustment is the total amount of NOL deduction for losses from other years.

Where to place your Net Operating Loss on Montana Form 2 or Form 2X. If your Montana net operating loss carryback or carryforward is different from your Federal Net Operating loss carryback or forward included in your federal AGI, you must place the federal net operating loss carryover on the "Other Addition" line on the Montana return and deduct the Montana Net Operating Loss carryover on the "Other Reduction" line on the Montana return.

## Calculation of Loss Absorbed in Carryover Years

	Year_____	Year_____	Year_____	Year_____
1. Federal adjusted gross income as last determined (W/O loss)	_____	_____	_____	_____
2. <u>Add:</u> Adjustments				
(a) Capital Gain Deduction (federal)	_____	_____	_____	_____
(b) Non-Montana interest	_____	_____	_____	_____
(c) Federal refund	_____	_____	_____	_____
(d) Capital loss deduction	_____	_____	_____	_____
3. Federal adjusted gross income as adjusted (add lines 1, 2a, 2b, 2c and 2d)	_____	_____	_____	_____
4. Less: Itemized Deductions or Standard Deduction Complete lines A through O.	_____	_____	_____	_____
5. Modified Income (NOL absorbed) (line 3 minus line 4)	_____	_____	_____	_____

### Itemized Deductions

A. 50% medical insurance premiums (1995 & 1996). 100% medical insurance premiums (beginning 1997).	*	_____	_____	_____
B. Unadjusted medical expenses		_____	_____	_____
C. 7.5% of line 3 (5% for 1986)		_____	_____	_____
D. Subtract C from B	*	_____	_____	_____
E. Taxes	*	_____	_____	_____
F. Interest	*	_____	_____	_____
G. Contributions	*	_____	_____	_____
H. Unadjusted casualty Loss From Form 4684		_____	_____	_____
I. 10% of Line 3		_____	_____	_____
J. Subtract I from H	*	_____	_____	_____
K. Unadjusted miscellaneous expenses		_____	_____	_____
L. 2% of line 3		_____	_____	_____
M. Subtract line L from K	*	_____	_____	_____
N. Miscellaneous deductions (Not subject to 2%)	*	_____	_____	_____
O. Total: (Add lines marked with * A, D, E, F, G, J, M and N)		_____	_____	_____

NOTE: If carryover of a NOL is more than 4 years, attach an additional worksheet.

Line 1 may have to be adjusted when dealing with more than one NOL within the same year.



## Montana Individual Net Operating Loss Worksheet 3

Begin with the first year of carryback. If electing to forgo the carryback period, begin with the year the NOL was generated.

[illegible]



# Alternative Energy Production Credit

**MONTANA**  
AEPC  
Rev. 8-02

Tax Year \_\_\_\_\_

Instructions on back  
15-32-401 through 407, MCA

Name as shown on return \_\_\_\_\_

Federal ID Number \_\_\_\_\_ Social Security Number \_\_\_\_\_

1. Enter location of alternative energy producing assets \_\_\_\_\_
2. Enter amount of eligible alternative energy equipment investment..... 2. \_\_\_\_\_
3. Enter amount of federal wind energy credit claimed..... 3. \_\_\_\_\_
4. Montana taxable income (Individuals-Form 2, Line 41; Corporations Form CLT-4, Line 9)..... 4. \_\_\_\_\_
5. Enter either adjusted gross income attributable to eligible alternative energy equipment (if filing a Montana Individual Income Tax return) or net income attributable to eligible alternative energy equipment (if filing Montana Corporation License Tax return) \*If the alternative energy production income is from a business, a portion of which qualifies and a portion which does not , the allocation schedule below must be used to calculate this line..... 5. \_\_\_\_\_
6. Subtract line 5 from line 4..... 6. \_\_\_\_\_
7. Enter total tax as shown on return (Individuals-Form 2, Line 42; Corporations Form CLT-4, Line 10)..... 7. \_\_\_\_\_
8. Calculate tax amount on line 6, (Individual use tax table; Corporations use 6.75%)..... 8. \_\_\_\_\_
9. Subtract line 8 from line 7 to calculate income tax attributable to alternative energy production. .... 9. \_\_\_\_\_
10. Enter 35% (.35) of line 2 to calculate Montana alternative energy system credit; Include carryforward amount \$ \_\_\_\_\_ from previous years in line 10 total. See instructions for further carryforward information..... 10. \_\_\_\_\_
11. Enter 60% (.60) of line 2..... 11. \_\_\_\_\_
12. Enter amount of federal wind energy credit from line 3 above..... 12. \_\_\_\_\_
13. Subtract line 12 from line 11..... 13. \_\_\_\_\_
14. Allowable credit for this tax year - the lesser of line 9, line 10 or line 13. Enter here and on Form 2A, Schedule II for individuals; Form CLT-4, Schedule C for Corporations. \*See instructions for definition of certain taxpayers whose credit is the lesser of line 9 or 10..... 14. \_\_\_\_\_

## Income Allocation Schedule

a. Total		b. Montana		c. Factor (b) divided by (a) = (c)	
a.	Business Property \$ _____	Alternative Energy Related Property	\$ _____	_____	%
b.	Business Payroll \$ _____	Alternative Energy Related Payroll	\$ _____	_____	%
c.	Business Sales \$ _____	Alternative Energy Related Sales	\$ _____	_____	%
d.	Sum of Factors (Lines 1, 2, & 3).....				
e.	One third of line 4.....				
f.	For Individuals enter adjusted gross income from business; Corporations enter the net income from line 9, Form CLT-4.....\$ _____				
g.	Allocated alternative energy production income (Line f times line e. Enter here and on line 5 above. .... \$ _____				

Attach this form to your return

## Instructions For Alternative Energy Production Credit

- The purpose of the Alternative Energy Producers Act is to encourage the development of the alternative energy industry in Montana without adversely affecting tax revenues. The credit is allowed for individuals, partnerships, small business corporations and regular corporations.
- In order to qualify the investment must be:
  - \$5,000 or more
  - depreciable under I.R.C. section 38
  - located in Montana
- The credit is 35% (.35) of eligible costs. The eligible costs are those that are associated with the purchase, installation, or upgrading of:
  - generating equipment
  - safety devices and storage equipment
  - transmission lines necessary to connect with existing transmission facilities; and
  - transmission lines necessary to connect directly to the purchaser of the electricity when no other transmission facilities are available.
- The credit is to be taken against taxes due as a consequence of taxable or net income produced by the following:
  - Montana manufacturing plant that produces alternative energy generating equipment.
  - New business facility or expanded portion of business facility which uses alternative energy as a basic energy source.
  - Alternative energy generating equipment.
- In the case of a business, a portion of which qualifies for this credit and a portion of which does not qualify, taxes due from each portion must be separated by using the three-factor formula provided in section 15-31-305, MCA.
- Limitation on credit. If the taxpayer claims a federal credit under I.R.C. section 48 (1) the state credit must be reduced so that the sum of the credit, federal and state does not exceed 60% (.60) of the eligible costs. The limitation does not apply to a taxpayer who meets the criteria set forth under the following two scenarios:

### Scenario 1

- Invests in a commercial system located on state trust land;
- Signs a lease agreement with the state to make annual lease payments to the permanent school trust fund; and
- Offers contracts with a duration of at least 5 years to sell at least 33% of the net generating output at the cost of production plus a rate of return not to exceed 12%.

### Scenario 2

- Invests in a commercial system located within the exterior boundaries of a Montana Indian reservation and which is 5 megawatts or larger;
- Signs an employment agreement with the tribal government of the reservation where the commercial system would be constructed regarding the training and employment of tribal members in the construction, operation, and maintenance of the commercial system; and
- Offers contracts with a duration of at least 5 years to sell at least 33% of the net generating output at the cost of production plus a reasonable rate of return as designated by the Public Service Commission to customers for use within the State of Montana.

\*Attach copies of the contracts referred to (b) and (c) of scenarios 1 and 2.

If a state credit is claimed under this act, no other state energy credit or state investment tax credit may be claimed for the investment. You also may not claim the property tax exemption for nonfossil energy property, allowed under 15-6-201(3) MCA, on property for which the alternative energy generation credit is claimed.

- Carryovers of credits. The unused portion of the tax credit, which exceeds the tax liability generated by the asset, may be carried over up to seven years. Taxpayers that meet criteria (a) and (b) of scenario 2, above may carry over the unused portion of the tax credit up to fifteen years. The credit must first be claimed in the year the asset is placed in service.
- The alternative energy system equipment must be placed in service after December 31, 2001 in order to be eligible.

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. ☎

**Disability Insurance For Uninsured Montanans Credit**

Credit available to certain employers who make disability insurance available to employees

15-30-129 and 15-31-132, MCA

Instructions on back

Name (as shown on Form 2 for Individuals and Form CLT-4 for Corporations)

FEIN:

**Part I**

- Have you been in business in Montana for at least 12 months? \_\_\_\_\_ Yes \_\_\_\_\_ No
- Do you employ 20 or fewer employees working at least 20 hours per week? \_\_\_\_\_ Yes \_\_\_\_\_ No
- Do you pay at least 50% of each Montana employee's insurance premium? \_\_\_\_\_ Yes \_\_\_\_\_ No

If you answer no to any of the above questions, do not complete this form. You do not qualify for the credit.**Part II**

The credit is limited to a maximum of 10 employees.

Employee	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
	Monthly Premium Amount	% of Premiums Paid by Employer		Multiply Column 2 X Column 3	Number of Months Each Employee Insured	Multiply Column 1 X Column 5	Multiply Column 4 X Column 5
1.			\$25				
2.			\$25				
3.			\$25				
4.			\$25				
5.			\$25				
6.			\$25				
7.			\$25				
8.			\$25				
9.			\$25				
10.			\$25				

Total

1. Multiply total of column 6 by 50% (.50)..... \$ \_\_\_\_\_
2. Enter total from column 7..... \$ \_\_\_\_\_
3. Enter the smaller of line 1 or line 2. This is your credit.. For individuals enter this amount on Form 2A, Schedule II. For corporations enter this amount on Form CLT-4, Schedule C..... \$ \_\_\_\_\_

Attach a copy of this form to your return

## Special Instructions

- This credit applies to disability insurance as defined in 33-1-207, MCA.

**Disability insurance.** Disability insurance, including credit disability insurance, is insurance of human beings:

- against bodily injury, disablement, or death by accident or accidental means or the medical expense or indemnity involved; or
- against disablement or medical expense or indemnity resulting from sickness.

Transactions of disability insurance does not include workers' compensation insurance.

- Disability insurance in Montana includes, in general terms, any insurance plan offered by an insurance company that provides such coverage as, personal health, disablement, death, medical expenses or indemnity of such, to a human being. Workers' compensation is not considered disability insurance.
- To qualify for this credit the business must:
  - be located in Montana
  - be in existence for at least 12 months
  - employ no more than 20 employees working at least 20 hours a week
  - pay at least 50% of each employee's insurance premiums
- If you are claiming this credit you may be asked by the department of revenue to provide documentation from your insurance company that the premiums meet the qualifications of the Small Employer Health Insurance Availability Act.
- The credit allowed cannot be carried back or forward. The credit may only be used to offset tax liability.
- Premiums paid by a small business corporation or partnership qualify for the credit. The credit is attributed to the shareholders or partners using the same proportion used to report income or loss for Montana tax purposes.
- The credit may not be claimed for a period of more than 36 consecutive months and cannot be granted to an employer or its successor within 10 years of the last consecutive credit claimed.
- Non-taxable distributions are distributions not excluded from adjusted gross income in the year of the deposit, or distributions which have already been taxed if not distributed within the 5 year eligibility period.

**Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired.**





## Recapture of Investment Credit

15-30-162, MCA

	Column A			Column B		
	Column A-1 Pre-81 Property	Column A-2 1981-82 Property	Column A-3 1983-2002 Property	Column B-1 Pre-81 Property	Column B-2 1981-82 Property	Column B-3 1983-2002 Property
1. Total tentative recapture from Form 4255	1.	1.	1.	1.	1.	1.
2. Line 1 column A-1 times 20%	2.			2.	Line 1 Column ← B-1 times 20%	
3. Line 1 Column A-2 times 30%.....		3.			3.	Line 1, Column ← B-2 times 30%
4. Line 1 Column A-3 times 5%..... ⇒			4.		Line 1 Column B-3 times 5%..... ⇒	4.
5. Total tentative Montana recapture tax Add lines 2, 3, and 4 Column A..... ⇒			5.		Total tentative MT recapture tax Add lines 2,3, and 4 Column B ⇒	5.
6. Previous Montana investment credit unused..... ⇒			6.		Previous Montana investment credit unused..... ⇒	6.
7. Montana investment credit recapture Subtract line 6 from line 5..... ⇒			7.		MT investment credit recapture Subtract line 6 from line 5..... ⇒	7.

Enter these amounts on line 47, Form 2. Do not use this amount to reduce your current year investment credit.

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. ☎



# Fiduciary Income Tax Return — 2002

For the calendar year 2002

MONTANA

FID-3

Rev. 8-02

or Fiscal Year beginning \_\_\_\_\_, 2002 and ending \_\_\_\_\_, 2003

Name of estate or trust	Federal employer identification number
Name and title of fiduciary	Residency status: <i>Check One</i> <input type="checkbox"/> Resident Full year <input type="checkbox"/> Nonresident Full year
Address of fiduciary (Number and street)	<b>Use Form 2X To Amend</b> Check One: <input type="checkbox"/> Trust <input type="checkbox"/> Estate <input type="checkbox"/> Grantor
City, State, and Zip Code	

## Part I—Income

Round to Nearest Dollar

1. Interest income .....	1.		
2. Dividends .....	2.		
3. Partnership income (or loss) ..... Attach Federal Schedule E	3.		
4. Income from another estate or trust .....	4.		
5. Net rent and royalty income (or loss) .....	5.		
6. Net business and farm income (or loss).....Attach Federal Schedules C, CEZ or F	6.		
7. Capital gain (or loss) (same as federal).....Attach Federal Schedule D, Form 1041	7.		
8. Ordinary gain (or loss) ..... Attach Federal Form 4797	8.		
9. Other income (state nature of income) .....	9.		
10. Federal total income. Add lines 1 thru 9 (per Federal Form 1041) .....	10.		
<b>Additions to Income</b>			
11. Interest on state, county municipal bonds (non-Montana) .....	11.		
12. Federal income tax refunds (if you deducted the taxes in earlier years) .....	12.		
13. Other additions (specify) .....	13.		
14. Total adjustments increasing income (add lines 11 thru 13) .....	14.		
15. Add lines 10 and 14, enter result .....	15.		
<b>Reductions of Income</b>			
16. Interest exclusion for U.S. savings bonds, etc. ....	16.		
17. Income from sources outside Montana (nonresidents only) .....	17.		
18. Exempt retirement income (specify) .....	18.		
19. State refund (if included in line 9 above) .....	19.		
20. Other reductions (specify) .....	20.		
21. Total adjustments decreasing income (add lines 16 thru 20) .....	21.		
22. Montana total income (subtract line 21 from line 15, enter result) .....	22.		

## Part II — Deductions Nonresidents are allowed only those deductions attributable to the production of Montana income.

23. Interest .....	23.		
24. Taxes (federal, property, etc.) .....	24.		
25. Charitable contributions .....	25.		
26. Fiduciary fees and administrative expenses .....	26.		
27. Attorney, accountant and return preparer fees .....	27.		
28. Casualty or theft losses .....	28.		
29. Other deductions. Attach a separate sheet listing deductions .....	29.		
30. Total deductions (add lines 23 thru 29) .....	30.		
31. Total (subtract line 30 from 22) .....	31.		
32. Income distribution deduction (see page 2 of FID-3 instructions) .....	32.		
33. Net income before exemption (subtract line 32 from 31) .....	33.		
34. <b>Exemptions — \$1,740. (nonresidents must pro-rate)</b> .....	34.		
35. Taxable income of fiduciary (subtract line 34 from 33) .....	35.		



**Form FID-3 Page 2 2002**

Name of estate or trust

36. Taxable income of fiduciary (from page 1) .....	36.		
37. Tax from tax table below .....	37.		
38. Tax on lump sum distributions .....	38.		
39. Subtotal (add lines 37 and 38) .....	39.		
40. Credits from Form 2A Schedule II ..... Attach Form 2A, Schedule II	40.		
41. Balance (subtract line 40 from 39) .....	41.		
42. Investment credit recapture from Form RIC .....	42.		
43. Total tax (total of lines 41 and 42) .....		43.	
44. Payments on 2002 estimated tax .....	44.		
45. Payment made with extension .....	45.		
46. Montana tax withheld .....	46.		
47. Total of lines 44, 45 and 46 .....		47.	

**Refund or Tax Due**

48. If line 47 is larger than line 43 enter amount OVERPAID .....	48.		
49. Amount of line 48 to be REFUNDED TO YOU .....	49.		
50. Amount of line 48 to be credited to your 2003 estimated tax .....	50.		
51. If line 43 is larger than line 47 enter TAX DUE .....	51.		
52. Underpayment penalty .....	52.		
53. Late filing penalty .....	53.		
54. Late payment penalty .....	54.		
55. Interest .....	55.		
56. Total of lines 51 through 55 .....		56.	

☐ **EXTENSION LAW** - Check this box and attach copies of federal extensions(s) to receive a valid Montana extension. See Page 1 of FID-3 instructions for details.

**Part III—Schedule of Distribution to Beneficiaries**

List name of each beneficiary receiving a portion of distributions reported on line 32, Part II. (If more than 10 beneficiaries, attach separate schedule)

	Social Security Number	Montana Resident Yes or No	Share of Capital Gains	Share of Interest and Dividends	Share of Other Income
1.					
2.		•			
3.		•			
4.		•			
5.		•			
6.		•			
7.		•			
8.		•			
9.		•			
10.		•			

I declare under penalty of false swearing that the information in this return and attachments is true, correct and complete.

Signature of Fiduciary	Preparer other than Fiduciary Name, address and telephone number of preparer
Date	

**If Taxable Income is:**

Over	But not over	Multiply by	and Subtract = Tax
\$ 0 .....	\$ 2,200 ....	X .... 2 % .....	\$ 0
\$ 2,200 .....	\$ 4,400 ....	X .... 3 % .....	\$ 22
\$ 4,400 .....	\$ 8,700 ....	X .... 4 % .....	\$ 66
\$ 8,700 .....	\$13,100 ....	X .... 5 % .....	\$ 153
\$13,100 .....	\$17,400 ....	X .... 6 % .....	\$ 284

**TaxTable**

**If Taxable Income is:**

Over	But not over	Multiply by	and Subtract = Tax
\$17,400 ....	\$21,800 ....	X .... 7 % .....	\$ 458
\$21,800 ....	\$30,500 ....	X .... 8 % .....	\$ 676
\$30,500 ....	\$43,500 ....	X .... 9 % .....	\$ 981
\$43,500 ....	\$76,200 ....	X .... 10 % .....	\$ 1,416
\$76,200 .....		X .... 11 % .....	\$ 2,178

**Example = taxable income \$2,400 x 3% (.03) = \$72 subtract \$22 = \$50 tax**





**Medical Care Savings Account**  
Annual Reporting Information  
For Self-Administered Individual Accounts  
Instructions on Back

**Taxpayer Information**

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

**Account Information**

Account Number \_\_\_\_\_

Financial Institution where account is located \_\_\_\_\_

Address of Financial Institution \_\_\_\_\_

Complete the table below for the current year. Additional information regarding medical savings account is provided on the back of this form. If you made withdrawals from your medical savings account that were not used to pay qualifying medical expenses, please call the Department for further instructions at (406) 444-6900.

	A	B	C	D	
Date	Deposits	Interest Earned	Withdrawals Used for Eligible Medical Expenses	Withdrawals Used for Non-eligible Medical Expenses	Balance Columns A+B Less Columns C+D
Enter beginning balance as of January 1. Carry over amount from ending balance of prior year. →					
Dec. 31					
Carry forward balance as of December 31 to next year's MSA account. ↑					



**MONTANA**  
FTB  
Rev. 8-02

Instructions on back

## Taxpayer Information

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

## Account Information

Account Number

Financial Institution where account is located

Address of Financial Institution

Complete the table below for the current year. Additional information regarding first-time home buyer savings account is provided on the back of this form. If you made withdrawals from your first-time home buyer savings account that were not used to pay qualifying expenses, please call the department for information at (406) 444-6900.

	A	B	C	D	
Date	Deposits	Interest Earned	Withdrawals Used for Eligible Expenses	Withdrawals Used for Noneligible Expenses	Balance Columns A+B Less Columns C+D
Enter beginning balance as of January 1. Carry over amount from ending balance of prior year. →					
Dec. 31					
Carry forward balance as of December 31 to next year's FTB account.					↑

Your allowable reduction is the total of column A or \$3,000, whichever is less, plus the total of column B. **Attach this form to your Montana income tax return.** For more information regarding first time homebuyers, please access our website at <http://www.montana.edu/wwwpb/pubs/mt9918.html>



# Montana Farm and Ranch Risk Management Account

Annual Reporting Information

15-30-601, MCA

See instructions on back

Name (as shown on Form 2)	SSN: (as shown on Form 2)
---------------------------	---------------------------

## Account Information

Grantor Name: \_\_\_\_\_

FEIN or SSN \_\_\_\_\_

Trustee:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Account Number: \_\_\_\_\_

## Deposits

Deposits are considered made for the specific tax year if made during the tax year or designated for the specific tax year and made within 3 ½ months after the close of the tax year.

Date	Deposit	Date	Deposit
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Total Deposits \_\_\_\_\_

## Deductions

- |    |   |    |       |
|----|---|----|-------|
| 1. | Net income attributable to agricultural business.....             | 1. | _____ |
| 2. | Enter 20% (.20) of line 1.....                                    | 2. | _____ |
| 3. | Enter the total amount of deposits from above.....                | 3. | _____ |
| 4. | Enter the lesser of line 2 or line 3 (but not more than \$20,000) | 4. | _____ |
- Enter this amount on Form 2, Line 26.

## Distributions

Date	Total Amount	Taxable Amount	NonTaxable Amount
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Distributions	_____	_____	_____

Attach a copy of this form to your return



# Qualified Endowment Credit

15-30-166, 15-31-161 and 15-31-162, MCA

Instructions on back

Individual or business name as it appears on your individual income tax, Form 2 or corporation license tax, Form CLT-4 \_\_\_\_\_

Social Security Number or Federal Employer Identification Number \_\_\_\_\_

1. Name and address of entity holding the qualified endowment

➤ Tax exempt organization qualified under 26 U.S.C. 501(c)(3) holding qualified endowment:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

➤ Trustee of the trust administering planned gift:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

➤ Bank or trust company holding the qualified endowment on behalf of tax exempt organization:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Type of contribution. Check only one box. (See instructions for qualifications)

☐ Charitable remainder unitrust

☐ Charitable gift annuity

☐ Charitable remainder annuity

☐ Deferred charitable gift annuity

☐ Pooled income fund trust

☐ Charitable life estate agreement

☐ Charitable lead unitrust

☐ Paid-up life insurance policies

☐ Charitable lead annuity

☐ Qualified outright charitable contribution  
C. corporation, Partnership,  
S. corporation, trust, estate, LLC's only

3. Qualified endowment contribution date..... \_\_\_\_\_

4. Allowable contribution amount.....\$ \_\_\_\_\_

5. Qualified endowment credit (see instructions for calculation of credit)

Enter here and on Form 2A, Schedule II for individuals;

Form CLT4, Schedule C for Corporations.....\$ \_\_\_\_\_

Attach a receipt to Form QEC issued by the exempt organization holding the qualified endowment acknowledging their 501(c)(3) status, type of gift, the date the gift was made and the amount of the allowable contribution.

## Montana Qualified Endowment Credit – General Instructions

A credit is allowed to an individual, C. corporation or estate for the percentage of the charitable gift portion of a planned gift or for a C. corporation, S. corporation, partnership, trust, estate or limited liability company for an outright charitable contribution made to a qualified endowment. The credit may not exceed your individual income tax liability or your corporation income tax liability and may not be carried back or carried forward. A credit allowed for contributions made by a small business corporation, partnership, or limited liability company is attributed to the shareholders, partners, members or managers of a limited liability company in the same proportion used to report the corporation's, partnership's or limited liability company's income or loss for Montana income tax purposes.

- **Entity Holding the Qualified Endowment:** A "qualified endowment" means a permanent, irrevocable fund that is held by a Montana incorporated or established 26 U.S.C. 501(c)(3) organization, or a bank or trust company holding the funds on behalf of a 26 U.S.C. 501(c)(3) organization. The Montana affordable housing revolving loan account established in 90-6-133, MCA is considered a qualified endowment for the purpose of the Montana qualified endowment credit.

Enter on line one the name and address of the entity holding the qualified endowment and to which you contributed a planned gift or charitable contribution to during your tax year. If your planned gift is a trust, enter the name and address of the trustee, if the trustee is not the tax-exempt organization. If a bank or trust company holds the qualified endowment on behalf of the exempt organization, enter the name and address of the bank or trust company.

- **Type of Contribution:** Check the appropriate box for the type of contribution made to the qualified endowment. In order to qualify for the Montana qualified endowment credit an individual taxpayer must contribute an irrevocable contribution to a permanent endowment by means of one of the following nine "planned gifts." A corporation, partnership or a limited liability company may make a contribution to a qualified endowment by means of either an outright charitable gift or a planned gift.

- **Charitable remainder unitrust defined by IRC § 664.** A trust to which property is transferred and invested by the trustee who each year pays a fixed percent of the unitrust's value, revalued annually, to one or more private income beneficiaries for a term of years or until death, with the remainder interest in the trust then transferring to or for the use of the charity or retained by the trust for the use of the charity.
- **Charitable remainder annuity trust defined by IRC §664.** A trust to which property is transferred and invested by the trustee who each year pays a fixed dollar amount to one or more private income beneficiaries for a term of years or until death, with the remainder interest in the trust then transferring to or for the use of the charity or retained by the trust for the use of the charity.
- **Pooled income fund trust defined by IRC §642(c)(5).** A trust to which property contributed by donors is intermingled and with respect to which the donor retains a life time income interest or creates such interest in others and irrevocably contributes the remainder interest to the charity maintaining the trust.
- **Charitable lead unitrust qualifying under IRC §170(f)(2)(b).** A trust to which property is transferred and invested by the trustee who each year pays a fixed percent of the unitrust's value, revalued annually, to the charity for a term of years or during lives of specified linear descendants, with the remainder interest then transferring to private beneficiaries named by the donor.
- **Charitable lead annuity trust qualifying under IRC §170(f)(2)(B).** A trust to which property is transferred and invested by the trustee who each year pays a fixed dollar amount to the charity for a term of years or lifetime(s), with the remainder interest then transferring to private beneficiaries named by the donors.
- **Charitable gift annuity undertaken pursuant to IRC §1011(b).** The transfer of cash or property to a charity in exchange for the charity's promise to pay the donor (and, if applicable, surviving annuitant) a lifetime annuity, treated as a bargain sale (resulting in taxable gain and a charitable deduction).
- **Deferred charitable gift annuity undertaken pursuant to IRC §1011(b).** A charitable gift annuity with respect to which the annuity payments are not begun until a future date.
- **Charitable life estate agreement qualifying under IRC §170(f)(3)(B).** The gift of a personal residence or farm to charity subject to a reserved life estate.
- **Paid-up life insurance policy meeting the requirements of IRC §170.** A life insurance policy for which all the premiums have been paid, usually entitling the donor to a current deduction equal to the cost of replacing the policy with a single premium life insurance policy at the donor's current age.

- **Qualified Endowment Contribution Date:** Enter the date the planned gift or charitable contribution was completed. A pledge to contribute to a qualified endowment does not qualify you for the qualified endowment credit. The credit is available for the tax period in which the gift is transferred to the qualified endowment.

- **Allowable Contribution Amount** The allowable contribution amount for a "planned gift" is the present value of the aggregate amount of the charitable gift portion of the gift. The allowable contribution amount of a charitable gift for a corporation, partnership or limited liability company is that amount that qualifies and a charitable contribution under IRC § 170. The allowable contribution amount can not be claimed as an itemized deduction for an individual or as a deduction in computing net income for a corporation, partnership or limited liability company.

- **Qualified Endowment Credit:** Use the following chart to calculate your qualified endowment credit.

For Planned Gift			For Businesses: Qualified Outright Charitable Gifts		
Planned Gift Date	% of Present Value	Max. Credit	Qualified Charitable Gift Date	% of Charitable Gift	Max. Credit
1-1-02 through 8-27-02	40%	\$10,000	1-1-02 through 8-27-02	20%	\$10,000
8-28-02 through 6-30-03	30%	\$ 6,600	8-28-02 through 6-30-03	13.3%	\$ 6,600
7-1-03 through 4-30-04	50%	\$13,400	7-1-03 through 4-30-04	26.7%	\$13,400
5-1-04 through 12-31-07	40%	\$10,000	5-1-04 through 12-31-04	20%	\$10,000

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired. ☎



# Annualization Worksheet

MONTANA

ESA

Rev. 8-02

## General Information on Annualizing

If your income fluctuates or is seasonal, you may be able to lower the amount of one or more required estimated tax installments by annualizing your income. To see if you can pay less for any period, **first complete** the estimated worksheet, Form ESW, then complete the annualized estimated worksheet (Form ESA). Complete one column before continuing to the next. This worksheet annualizes your tax at the end of each period based on a reasonable estimate of your income and deductions from the beginning of the tax year through the end of each period. If you use the annualized income worksheet for any payment due date, you must use it for all subsequent payment due dates.

If you use the annualized income installment method, you must file Form ESA (Estimated Annualized Worksheet). Attach Form ESA to your return when you file your 2003 income tax return.

		Jan. 1 - March 31 1st Period 2003	Jan. 1 - May 31 2nd Period 2003	Jan. 1 - Aug. 31 3rd Period 2003	Jan. 1 - Dec. 31 4th Period 2003
1. Montana AGI for the period as shown.	1.				
2. Annualization amounts.	2.	4	2.4	1.5	1
3. Multiply line 1 by line 2 (annualized income).	3.				
4. Itemized deductions for each period. (see below)*	4.				
5. Annualization amounts.	5.	4	2.4	1.5	1
6. Multiply line 4 by line 5.	6.				
7. Standard deduction. (see worksheet on back)**	7.				
8. Enter larger of line 6 or line 7.	8.				
9. Subtract line 8 from line 3.	9.				
10. Multiply \$1,740 x number of exemptions.	10.				
11. Subtract line 10 from line 9.	11.				
12. Tax on amount on line 11, use tax table on Form ESW.	12.				
13. Tax on lump sum distribution.	13.				
14. Add lines 12 and 13.	14.				
15. Tax credits for each period.	15.				
16. Line 14 less line 15. This is your total tax.	16.				
17. Applicable percentage.	17.	22.5% (.225)	45% (.45)	67.5% (.675)	90% (.90)
18. Multiply line 16 by line 17.	18.				
19. Add amounts in all preceding columns of line 25a.	19.				
20. Annualized income installment. Subtract line 19 from line 18. If less than zero, enter 0.	20.				
21. Divide line 7 of Form ESW (Estimate Worksheet) by four (4) and enter result in each column.	21.				
22. Enter amount from line 24 of preceding column.	22.				
23. Add lines 21 and 22.	23.				
24. If line 23 is more than line 20, subtract line 20 from line 23, otherwise enter zero.	24.				
25a. Enter the smaller of line 20 or line 23.	25a.				
25b. Actual 2003 withholding for each period.	25b.				
25c. Subtract line 25b from 25a. This is your required estimated tax payment for each quarter.	25c.				

\* 4. Enter your estimated 2003 itemized deductions for each period which include items such as contributions, medical, and dental expenses.

\*\*7. The standard deduction is 20% of line 3, subject to the following limitations:

Single: No less than \$1,450; no more than \$3,260  
Married or head of household: No less than \$2,900; no more than \$6,520

## Standard Deduction Worksheet



\*Note: (see below)

1. Enter amount from line 3 of Form ESA for applicable period. 1. \_\_\_\_\_
2. Enter 20% of line 1. 2. \_\_\_\_\_
3. Enter the amount from below that corresponds to your filing status:  
Single or separate (filing  
status 1,3,4, or 5): \$3,260  
  
Joint or head of household  
(filing status 2 or 6): \$6,520 3. \_\_\_\_\_
4. Enter the amount from line 2 or line 3, whichever is smaller. 4. \_\_\_\_\_
5. Enter the amount from below that corresponds to your filing status:  
Single or separate (filing  
status 1,3,4 or 5): \$1,450  
  
Joint or head of household  
(filing status 2 or 6): \$2,900 5. \_\_\_\_\_
6. Enter the amount from line 4 or line 5, whichever is larger. This is  
your standard deduction. Transfer this amount to line 7, Form ESA  
for applicable period. 6. \_\_\_\_\_

Questions? Please call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired.



\*Note: A standard deduction worksheet must be completed for each period.



# Medical Care Savings Account Penalty Calculation For Self-Administered Individual Accounts

15-61-201, MCA

## Taxpayer Information

Name \_\_\_\_\_ Social Security Number \_\_\_\_\_

## Account Information

Account Number \_\_\_\_\_

Financial Institution where account is located \_\_\_\_\_

Address of Financial Institution \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If you have a medical care savings account, you must file your Montana income tax return using Form 2 (long form). All nonqualifying withdrawals from your self-administered medical care savings account (MSA), must be included as income on line 23 of Form 2.

If you made withdrawals from a self-administered MSA that were not used to pay qualifying medical expenses, including withdrawals made on the last business day of the tax year, you must complete the worksheet below. Nonqualifying withdrawals, other than those made on the last business day of the tax year, are subject to a 10% penalty.

1. Enter the total from column D of Montana Form MSA. This amount must also be reported on line 23 of Montana Form 2 (long form). 1. \_\_\_\_\_
2. Enter withdrawals included in column D of Form MSA that were made on the last business day in December 2002. 2. \_\_\_\_\_
3. Subtract amount on line 2 from amount on line 1. 3. \_\_\_\_\_
4. Multiply amount on line 3 by 10% (.10). This is your penalty. Enter this amount on Montana Form 2 and write the "MSA" on the dotted line (line 47). 4. \_\_\_\_\_